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FINAL REPORT

AURORA HOUSING NEEDS AND STRATEGIES

THE ENTERPRISE FOUNDATION

CHFA
COLORADO HOUSING AND FINANCE AUTHORITY

Housing Authority of the City of Aurora

AURORA HOUSING CORPORATION

Prepared for: The Aurora Housing Task Force

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PURPOSE OF STUDY

The primary objective of the study is to evaluate Aurora's housing needs and identify the areas on which the community should focus its resources. The specific housing needs identified will allow key stakeholders to better define the work programs, priorities, and investments to better serve the community. This report presents Economic & Planning Systems (EPS) analysis of housing needs and strategies in Aurora, Colorado prepared for the Aurora Housing Task Force.

The *Aurora Housing Needs and Strategies* addresses a wide range of issues including the following tasks:

- An evaluation of the supply and demand for housing in the community as a whole and for its six subareas.
- An analysis of employment trends and forecasts and related housing demand by wage level.
- A description of special population providers active in the community and the capacity to address needs.
- A review of Aurora's existing and planned housing stock and characteristics including age, housing type, sale prices, and rents.
- An analysis of the current housing gap by income level and by geography.
- An evaluation of the market, identifying segments where it is effectively addressing the housing need and where additional resources are needed.
- A forecast of future housing needs based on trends in employment and housing development.
- Perspectives of elected officials, civic leaders, and housing providers regarding housing needs.
- A summary of best practices from five comparable housing authorities.
- Recommendations for action by the community.

KEY FINDINGS

1. ***The city's high rate of population growth includes a significant influx of population in existing areas as well as rapid growth in newly developing areas.***

- Over the past decade, Aurora grew by 54,000 persons, down from the peak growth decade of the 1970's in which the community grew by 84,000. The East-Southeast subarea grew by 26,000 residents since 1990 and growth estimates show an increase of 16,000 from 2000 to 2003.

- The community's older, established neighborhoods in the north and northwest are also growing rapidly. Original Aurora's population grew by 16,000 residents from 1990 to 2000, reflecting an increase of 45 percent, while its housing inventory increased by only 600 housing units, a three percent increase.

- Aurora is a gateway for new arrivals to the United States as 16 percent of residents were born outside the country. All subareas have a reasonably strong representation of immigrants, ranging from a low of 9 percent in the South to a high of 35 percent in Original Aurora.

- Nearly 40 percent of renters and 25 percent of owners are cost burdened, paying more than 30 percent of gross monthly income on housing costs. Households that pay more than 50 percent of income on housing include 16 percent of renters and 7 percent of owners, representing 9,800 households.

2. ***The amount, type, and distribution of expected job growth will require the development of new housing options in the city.***

   - Aurora is forecast to add 64,000 jobs by 2020. Approximately 68 percent, or 43,500 of these jobs, are expected to be Retail or lower wage Service sector jobs.

   - In Northeast Aurora, Service sector jobs will grow at an annual average rate of 6.8 percent. In Original Aurora, Services will account for nearly two-thirds of all jobs by 2020. Concerning the East-Southeast, retail represents the highest growth sector with double-digit annual average growth.

   - The market is expected to meet 72 percent of the housing demand created by new job growth. However, 15 percent of the new growth is expected to create jobs for households earning between 41 and 60 percent of AMI and 13 percent of the jobs will generate household income below 40 percent of AMI. For the community to have the employees to fill these jobs, it must actively participate in the creation of housing.

   - The forecasted economic growth will create a need for 6,100 new housing units through 2020 for households not served by the market due to low household income. Nearly 30 percent of the lowest income employment-generated demand will be located in the East-Southeast subarea, driven primarily by new retail development.

   - Employment sectors with the shortest commute times also have the lowest wages. Retail and healthcare employers must rely on a housing supply located within short commuting distances to be able to effectively recruit employees.

3. ***The community's lowest income residents will continue to require housing and housing program assistance even as the community matures and specific subareas become more wealthy.***

   - Aurora has a range of organizations providing housing services and programs to the community's lowest-income households. These organizations report a demand for services and housing units that exceed the resources available.

   - Transitional housing is a specific concern. Aging motels along the Colfax corridor provide defacto transitional housing at relatively high costs. Organizations working with the transitional population estimate a total of 350 families with children who live in the area in need of better housing.

4. ***The current housing inventory provides a wide range of prices and options.***

   - The average for-sale home price is $199,000 (single family) and $134,000 (condominium-townhouse); however, citywide averages mask the vacillations of 40 percentage points above and below these averages in the different subareas.

   - The maximum and minimum sales prices for more than 7,300 sales records show a low of $42,000 and a high of $1.3 million. Lower priced options, those available to households earning less than 60 percent of AMI and priced below $91,000, account for 4 percent of all sales, with 99 percent of those being condominium townhouses with an average age of 25 years.

   - New housing is significantly higher priced than citywide averages. For homes constructed in the past four years, average prices are approximately 50 percent higher. The new home prices match the cost of homes under development closely, with the most frequently purchased single family models clustered tightly around the $300,000 price point. The north continues to offer the best value. For central and southern areas, the upper end appears unlimited with custom homes exceeding $1.0 million.

   - Concerning the rental market, four of five subareas reached double digit vacancy levels in the past two years. For most, the highest vacancies have been the last quarter of 2002 and the first of 2003. The rental market in the northeast and southern areas, with vacancy rates at 17.2 percent and 19.0 percent respectively, has been particularly soft. However, the market appears to be getting stronger, with slight improvements reflected in current rates of 16.7 and 11.3 percent, respectively.

   - The historic rents correspond to the vacancy rates. The peak of the market was the third quarter of 2001, with fourth quarter rents dropping as demand contracted in light of post 9-11 conditions. In the northeast and northwestern areas of the Aurora, rents have increased over the past four years, reflecting strong population growth and limited development.

5. ***The gap analysis shows deficits at the lowest and highest levels.***

   - There is a deficit of housing opportunities at specific income levels. The gap analysis identifies a deficit of 13,800 ownership units for households earning less than 60 percent of AMI. For renter households, there is a deficit of 9,100 units for households at the 40 percent and below level. The deficit does not translate into a production target. It is a gauge of community need that should be addressed through a combination of current and additional programs as well as new development. Portions of the existing housing inventory can be used to achieve the desired balance with additional programs to lower costs and/or increase household income.

   - Although there is a great diversity of housing in the community, there continue to be deficits at the lower and upper income levels, with surpluses for middle income households. Upper income deficits exceed those of lower income households with 10,541 renter households and 18,659 owner households spending less than industry standards on housing. This gap reflects incomes that generally exceed the cost of the community's existing housing for upper-income households (specifically greater than 120 percent of AMI for owners and more than 80 percent AMI for renters).

   - When the median income of Aurora's six subareas are compared to the Denver-metro median, there is a 93 percentage point spread from the lowest (Original at 60 percent) to the highest (East-Southeast at 153 percent), which masks need in subareas with lower median incomes.

   - The community's greatest need is for lower priced housing in the subareas with lower median incomes. The lower median reflects a lower capability to pay rent or mortgage. The price of the rental and for-sale housing stock, while reasonable in terms of metro-wide standards, is overpriced relative to local conditions.

RECOMMENDED STRATEGIES

1. ***The community's existing housing organizations must expand their partnerships with other entities to leverage more resources. An expanded network is central to the long-term success of the community's housing efforts.***

   - Using the targets identified in this study, the AHTF, the City, the Counties, and the AHA should delineate responsibilities among an expanded membership for addressing the community's needs.

   - Communities that effectively address the full spectrum of housing needs rely on partnerships. Aurora should expand the network of housing partners, including private, public, and non-profit members, and increase the level of participation from organizations with potential capacity but little presence.

- The City should coordinate the process to formally expand the housing partners, identify responsibilities, and adopt goals. The schedule for this process should be established within 60 days of adopting this report.

2. ***The Aurora Housing Task Force and the Aurora Housing Authority must increase their organizational capacity and development activity to effectively address housing needs in the community.***

   - Federal housing funds are expected to continue to diminish and city funding is also expected to be limited. Therefore, generating alternative revenue sources are key to the success of future housing programs and development.

   - Generating funds through increased development activity will allow existing housing organizations to build internal resources and leverage these in future development and redevelopment projects.

   - Entrepreneurial efforts will generate capital over time, which then can be used as equity in efforts to address other needs across the community.

3. ***The AHTF and the AHA must expand their role to become the community's recognized resource to address the full range of housing needs.***

   - The AHTF and AHA should move up and down the spectrum of need by providing housing that ranges from transitional units to workforce developments, as resources allow. A broader approach will be more effective for a greater percentage of Aurora's population as well as enable the organizations to address particularly difficult to serve populations.

   - Aurora has experienced a broad range of housing development supported by the market. The housing community needs to be a resource and address needs that the market does not, particularly with owners earning less than 60 percent of AMI and renters earning less than 40 percent of AMI. Total deficits for these groups are 13,800 and 9,100 units, respectively.

   - A comparison of Aurora to other communities with successful housing programs indicates that Aurora's permanently affordable housing inventory should be 2,900 units higher than the current level of 2,600. A realistic goal for addressing the current deficit is to increase the inventory by 2,900 units over ten years, resulting in a target of approximately 300 units per year. The target is inclusive of all housing activity including property acquisitions, new programs that make existing housing more affordable, and new construction by private developers, non-profits, and public agencies.

   - In addition to the existing deficits, local housing organizations must be poised to provide workforce housing related to new jobs to support the community's economic development goals. Over the next 16 years, the community will attract 64,000 new jobs. The new job growth will require approximately 6,100 new units for the lowest paid employees, which translates to an annual production target of

400 units. These units are not likely to be developed by the market because low household income, and the corresponding low rents, cannot support the land and development costs of new construction.

4. ***The community needs to establish programs to address the full range of the needs identified in this study. Based on the analysis, there are several key programs that warrant attention.***

    - The market has effectively provided entry-level home ownership opportunities; however, some renters are not able to take advantage of this supply. The community should work together to expand the type and number of programs available to enable qualified renters purchases, taking advantage of the current low interest rates and low sale prices. Examples include providing a Section 8 rent to own program and or expanding the Home Ownership Assistance Program.

    - The community should secure sites for mixed-income rental housing and land bank those for development as the market returns. Aurora's rental inventory has been volatile and will quickly respond to a strengthening state economy. With large population increases expected in the established and developing parts of the community, rental rates will exceed the earning power of many local employees.

    - Mixed-income developments are beneficial for a variety of reasons. In addition to providing a more diverse environment for residents, they often are more feasible due to higher rents or land sales from market rate tenants and owners.

    - The AHA should make its resources available in partnerships with private developers, as appropriate, to close financing gaps. The AHA's ability to eliminate the property tax burden can reduce debt service and ripple through a project pro forma to generate significant savings. This type of participation should be used selectively and only when there is a financial return to the AHA and community benefit.

5. ***The demographic nature of the northern part of Aurora presents a major challenge for the community. With median incomes that range from 20 to 40 percent below average, the needs are particularly high. As the area continues to grow, the need for services and housing programs will increase.***

    - Existing housing organizations must deepen relationships with local service providers already active in the area and should solicit greater involvement from those that are not, particularly the counties.

    - Evaluate recent transitional projects constructed in the metro-Denver area and model a project in Aurora on the most effective solutions. A goal of replacing 40 percent of the existing defacto transitional units along the Colfax corridor would meet the needs of the households with the greatest connections to Aurora. Recognizing the larger need for 220 permanent transitional units, the community should begin addressing the problem with an initial project with a minimum of 25 units.

- Establish a process that enables residents to take "steps up the rungs of the ladder" such as providing a voucher at the end of the transition process. With an appropriate structure, the system will help improve the odds of success and create an incentive to leave the transitional program, which creates openings for new households.

- Involve a range of entities that will be capable of identifying families and individuals in need of the transitional housing who are likely to succeed.

6. ***The AHTF and AHA should strengthen their relationship with the Mayor and City Council.***

   - Elected officials will look to the AHTF and the AHA to effectively address needs and alleviate the demands on the community in this arena. The AHTF and the AHA should provide both policy direction and specific programs and proposals to address this issue. The AHTF and AHA should present its short-term and long-term plans to the city twice annually. The presentations should evolve as the relationship becomes stronger with additional detail about programs, developments, and opportunities.

   - For projects that involve city funding or participation, the AHTF and AHA should identify fiscally responsible roles for the City with realistic and meaningful participation.

   - For all new Council members, the AHA should provide a specific education packet and forum to address historical and future needs and activities of the AHA. The AHA should meet individually with all newly elected Council members to establish a relationship with each member of Council.

7. ***AHA and city should work together to strengthen the AHA Board and broaden its constituency.***

   - The AHA Staff and Board should identify the range of expertise desired on the board and strive to fill open positions with candidates that can create synergy and build key relationships with other organizations in the community.

   - The AHA Board should adopt term limits to create a constant flow of new perspectives that will energize the organization.

II. INTRODUCTION

This chapter provides an overview of housing in Aurora, with a description of housing organizations active in the community, including the Aurora Housing Task Force (AHTF), Aurora Housing Authority (AHA), Aurora Housing Corporation (AHC) and multiple non-profit agencies. It also includes a summary of confidential interviews with community leaders and stakeholders on housing issues and needs.

COMMUNITY STAKEHOLDERS

AURORA HOUSING TASK FORCE

The Aurora Housing Task Force represents housing and service providers who focus on the community's lower income residents. The task force grew out of an ad hoc committee formed by the city to evaluate an element of the Fitzsimons Redevelopment Plan that addressed the relocation of displaced residents. Two city council members joined a group of community representatives to evaluate the relocation guidelines. After much analysis, the Task Force gave its conditional support to the guidelines, noting that the needs of the larger community would not be met. Upon completion of that task, some members continued to meet as the Aurora Housing Task Force.

Since that time, the task force has grown and now has approximately 20 active members, each representing a separate organization. The Task Force is autonomous from the Aurora Housing Authority, but the two entities work together closely, given the common interest. In 2002, the Task Force initiated the Needs Assessment study, with the goal of documenting needs throughout the community and developing a plan to address them.

HOUSING PROVIDERS

Aurora has several active housing providers, listed below, many of whom are member of the AHTF. Each of these organizations serves a specific sector and for some, housing represents a small portion of the larger organization (i.e., Aurora Mental Health). The list of agencies is provided below with detailed information about each organization's housing program provided in Chapter VI.

- Access Housing
- Aurora Mental Health Center
- Aurora Interchurch Task Force
- Colfax Community Network
- Colorado Coalition for the Homeless
- Comitis Crisis Center
- Gateway Battered Women's Shelter

- Habitat for Humanity of Metro Denver
- Metro Community Provider Network
- Sabin Group

AURORA HOUSING AUTHORITY

Established in 1975, the Aurora Housing Authority (AHA) is the city's public housing agency responsible for managing more than 2,500 affordable housing units. AHA performs the following roles:

- Owns and manages 700 units of rental housing (including 201 units of public housing);
- Manages 86 units of rental housing owned by its non-profit affiliate, Aurora Housing Corporation;
- Administers 376 units under the Section 8 Moderate Rehabilitation program; and
- Administers 1,422 Section 8 vouchers, which provides a subsidy for households renting in privately owned housing units across the city.

AHA is governed by a five member Board of Commissioners who are appointed to five-year terms by the Mayor. The programs operated by AHA are funded through the U.S. Department of Housing and Urban Development (HUD), local and state grants, and rental income. A majority of funding is generated by two sources. Nearly 70 percent of its annual budget is derived by Section 8 Program funds with the balance consisting of project revenues that exceed operation costs and debt service.

AURORA HOUSING CORPORATION

The Aurora Housing Corporation (AHC) is a 501(c)(3) organization established in 1985 to provide affordable housing to low and moderate-income residents. AHC is governed by a five-member Board of Directors, initially appointed by the Housing Authority Board. Vacancies on the Board are filled by a vote of the remaining Directors.

In 1994, Aurora Housing Corporation was designated the Community Housing Development Organization (CHDO) for the City of Aurora. As the CHDO for the city of Aurora, AHC receives approximately 15 percent of the city's HOME allocation. These funds are used to purchase and rehabilitate housing units in the city. In some cases, the rehabilitated units are resold to first-time home buyers, in others the AHC retains ownership and rents them.

BUSINESS LEADERS

A series of informational interviews were conducted with business leaders and organizations including the Aurora Chamber of Commerce, Private Sector Affordable Housing Developers, the Southeast Business Partnership, and the Denver International Airport Business Partnership. The business community was most concerned with the impact of housing on economic growth. Business leaders felt the community was lacking adequate housing at both ends of the economic spectrum–workforce housing and executive level housing.

Those interviewed report that Aurora has had difficulty recruiting business in the past, due to the lack of executive level housing. An oversupply of 30-year old attached product has been partially offset with the recent development of more upper end housing. However, the ability to provide prospective employers with greater housing value (particularly compared to west coast options) is diminishing due to the escalation in prices over the past decade in nearly all Colorado submarkets.

On the other end of the spectrum, the need to house core employee sectors, such as "teachers, tellers, and cops," is a growing need. In particular, when service sector employees are taken into account, the need to ensure reasonable housing options is an imperative for the business community.

Based on estimates of the Aurora Chamber of Commerce, Aurora is one of the largest employment centers in the metro-area. With nearly 130,000 employees, it outpaces Downtown Denver (110,000) and the Tech Center (116,000) and is poised for growth. The Fitzsimons redevelopment, the continuing influence of DIA, Gateway Airport expansion, and the potential for rail line relocations to eastern Aurora will each stimulate the community's economy and drive demand for employees.

The experience of the Southeast Business Partnership shows that businesses in the Denver Tech Center have had difficulty recruiting employees earning less than $20 because they will not commute when they can find similar wages closer to home. The employment and housing opportunities in Aurora are centered around a lower price point, which makes the issue more relevant. Employees at lower salaried jobs have even less motivation to commute as commuting costs represent a higher percentage of income.

Accommodating future employees with appropriately priced housing is a common goal expressed by several business leaders interviewed. Housing that is in the general proximity of jobs reduces commuting congestion. More importantly, is helps ensure an adequate workforce that is available for local jobs. One business leader summarized the goal as a balanced community, providing opportunities to "live, work, and play" in the City of Aurora.

ELECTED OFFICIALS

In October of 2003, EPS interviewed Mayor Paul Tauer and city council members that would remain in office through the fall election. (The interviews also included mayoral candidates.) The responses have been aggregated and reflect the common themes stated during the interviews. The prevailing opinions on housing need are summarized below:

- Most Council members believe that the community needs quality housing that is affordable across the spectrum. Most stated that Aurora should have a range of housing that reflects the range of economic levels represented in the community.
- Many cited the relative large supply and affordable prices of the existing older housing stock and suggested that it adequately addresses a large part of the housing need.
- Nearly all identified housing quality as an issue, pointing to the community's large supply of entry-level homes built in the 1970's, much of which was poorly constructed. Concerns about the aging housing stock are compounded by the lack of homeowner associations responsible for common areas. The disproportionately high percentage of multi-family units (both rental and ownership) adds to the challenges related to maintenance, turnover, and a diminished sense of ownership by residents.
- Most Council members support the recently adopted quality construction standards and believe the need for improving quality overrides issues about increased costs.
- Most Council members noted the growing distinction between North and South Aurora, mentioning the influx of new residents in both areas and their economic and demographic differences.
- Some concerns were expressed about the difficulty in communicating with neighborhoods and residents concerning home maintenance and upkeep issues, particularly with the large number of foreign-born residents in the northern area of Aurora.
- Council members generally desire a greater degree of integration of income levels across the community, but are not interested in land use code mandates, such as inclusionary zoning. Several suggested fees-in-lieu as an alternative (similar to the current park standards) that would provide flexibility to developers and still increase resources to address this issue.
- Members noted the desire to see more variety of income levels across the community, mentioning the need for more new construction in the North and more affordable units in the South.
- It was noted that due to term limits, 10 of the 11 Council members will be newly elected by 2005. Council members identified a critical need for more education and communication, as the historical relationships will not be available in the near future.

- The recent development of the upper-end housing market is seen as a welcome addition to the community. Most council members noted that this market niche has emerged only in the past three years.

- Council members were enthusiastic about the emerging employment centers, such as Fitzsimons. Most expect an increase in demand for housing associated with the additional jobs, although some expect higher income employees to commute from southern Aurora or outside the city.

There was less agreement on the role of the Housing Authority and Aurora Housing Task Force. One member stated that "The Housing Authority is one of Aurora's best kept secrets," while another member stated that the "AHA was tolerable, as long as it focused on a narrowly defined mission of serving very low income rental households." The following comments address the Council's opinion on the future direction and roles and responsibilities of AHA and AHTF.

- Nearly all desire an integrated community, with options available to live and work for the full economic spectrum. "The city needs assistance with its maturing growth pains," referring to the need for the city to rely on the Housing Authority to address issues that come with Aurora's evolution from a Denver suburb into a diverse and heterogeneous city with its own set of urban issues and problems. Another said that "there is a terrible price to pay for inaction" and that the city cannot simply "ignore the parts of the community that some don't like."

- Nearly all members were in favor of greater communication and ongoing dialogue between the Council and the AHA on housing issues. Suggestions include education packets for all candidates with a short seminar for newly elected members; clear, concise, data that define affordability and that identify the nature and magnitude of Aurora's need; summaries of existing housing programs and properties; annual or bi-annual presentations to Council; and monthly updates to a standing committee, such as Economic Development or Intergovernmental Relations.

- Most Council members favor partnering with the AHA on creative public partnerships. The city's $30 million budget reduction in 2003 was noted and members said that partnerships requiring general fund dollars would not occur in the near future. Nevertheless, there is interest in providing other resources, such as parcel assemblage and condemnation, private activity bond capacity, greater portion of block grant funds, and development review streamlining.

- Some Council members asked that the AHA and AHTF define their roles around specific solutions, particularly when engaging the city. Some members perceive that the city has been portrayed poorly in the past by these organizations due, in part, to lack of dialogue and lack of specificity about the city's role. Members would like to see solution-driven proposals with meaningful and realistic roles for the city in the future.

- Nearly all members acknowledged the change in leadership at AHA in the past two years presents an opportunity to start fresh and put aside historical differences in attitude.

- All Council members are concerned about the quality of AHA and AHC projects. Many like the appearance of the recent development at 6th and Potomac and want to ensure future development meet or exceed this level of quality.

III. HOUSING OVERVIEW

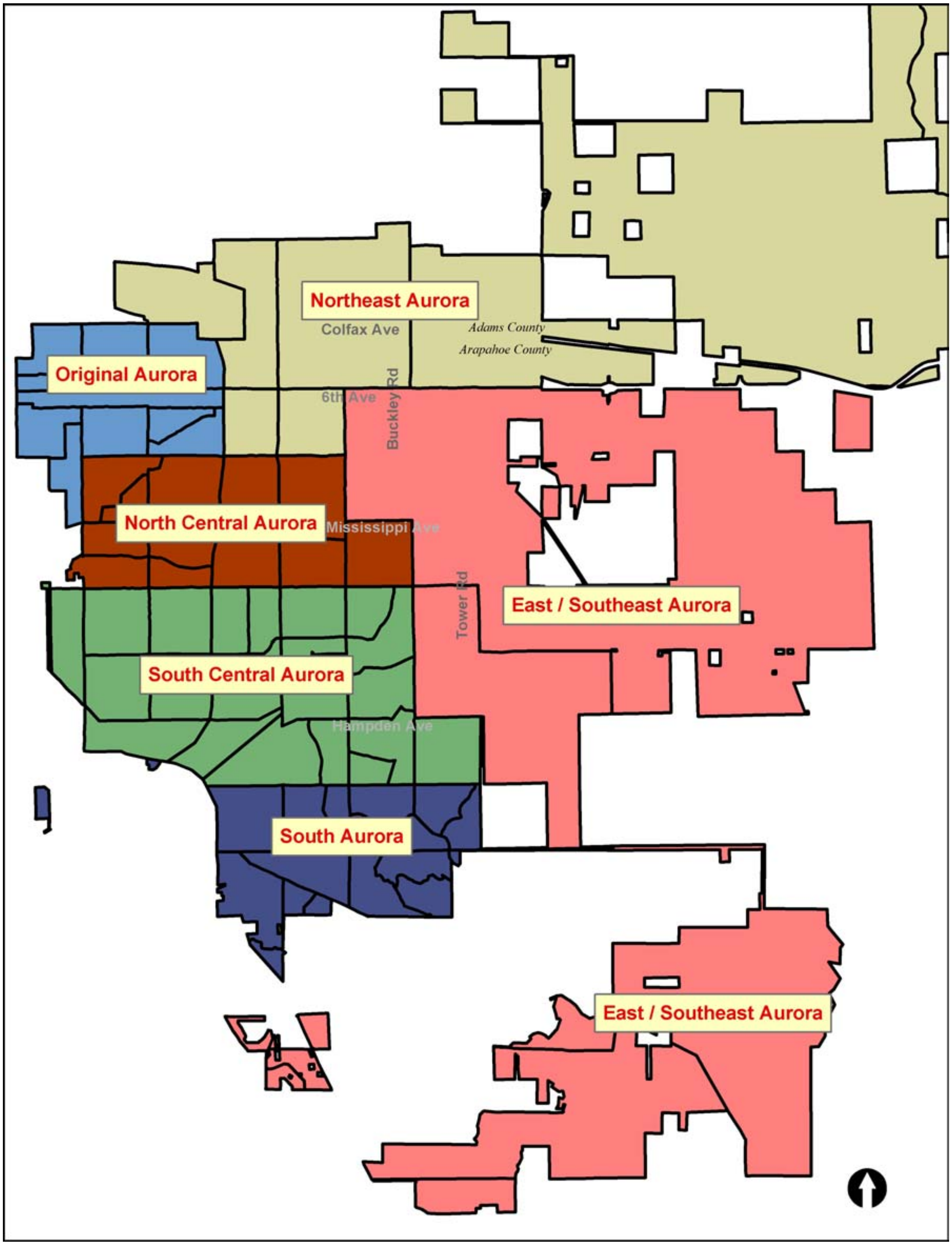
This chapter provides an overview of housing in Aurora with a comparison of income levels and housing costs, showing who can afford what types of housing by subarea. The overview also describes the level of cost burden in the community and concludes with a summary of projected needs.

The information is presented for Aurora and its six subareas, shown in **Figure 1** on the following page. These subareas include Original, Northeast, North Central, South Central, South, and East/Southeast. The City of Aurora Planning Department has established these subareas and uses them in a range of applications related to analysis and policy development.

The purpose of the section is to highlight key elements of the study. Additional detail is provided in the following sections but is summarized here to provide an overview of housing conditions and needs. The key issues include:

- *What are current housing costs?* The average sales prices and rental rates are provided by subarea.
- *Who can afford the existing housing in Aurora?* Local employment positions are provided as examples to show the wages required to afford the average priced house or apartment in the six subareas.
- *What is considered affordable and who is cost burdened*? Housing is considered affordable if households pay less than 30 percent of gross income for shelter. Those paying more than 30 percent are considered cost burdened, which is shown by own/rent and employment sector.

Figure 1
Subarea Definition – City of Aurora Planning Department
Aurora Housing Needs and Strategies



HOUSING COSTS AND INCOME

The average prices and rents in 2003 for single family homes, condominiums/ townhomes, and apartments are provided below in **Table 1** by each of the six subareas. The monthly payment necessary to purchase or rent a home is listed as well as the annual income needed to support these payments.

Table 1
Average Housing Costs by Type and Subarea
Aurora Housing Needs and Strategies

Subarea	Single-Family			Condo-Townhome			Rental Apartments		
	Sales Price	Adj. Mo. Cost [1,2]	Annual Income	Sales Price	Adj. Mo. Cost [1,2]	Annual Income	Average Rent	Adj. Mo. Cost [1,2]	Annual Income
Original	$158,003	$1,198	$47,935	$88,548	$672	$26,863	$649	$714	$28,556
Northeast	$174,396	$1,323	$52,908	$119,741	$908	$36,327	$682	$750	$30,008
North Central	$180,714	$1,371	$54,825	$114,552	$869	$34,753	$708	$779	$31,152
South Central	$206,139	$1,563	$62,538	$141,136	$1,070	$42,817	$732	$805	$32,208
South	$209,569	$1,589	$63,578	$137,035	$1,039	$41,573	$727	$800	$31,988
East/Southeast	$244,765	$1,856	$74,256	$128,173	$972	$38,885	$727	$800	$31,988
City-wide	$199,853	$1,516	$60,631	$134,431	$1,020	$40,783	$704	$775	$30,983

Source: The Genesis Group, Economic & Planning Systems MLS III Necessary Income

[1] Assumes a 30-year fixed loan at 7 percent with 5 percent down.

[2] Adjusted monthly costs reflect a 20% increase above principle and interest for owners (insurance, taxes, etc.) and 10% above contract rent for renters (utilities, renter insurance, etc.)

The composition of Aurora's households is shown by income level in **Table 2**. The income ranges reflect different levels of the Area Median Income (AMI) and cover the spectrum for the lowest level (0 to 40 percent) to the highest (200 percent and above). The midpoint, 100 percent, is considered the median for the community and translates to an annual income of $59,400. The data assumes 2.5 persons per household (approximating the city's average of 2.60). The analysis reflects 2003 conditions for both income and housing costs.

Table 2
2003 Estimated Household Income Distribution
Aurora Housing Needs and Strategies

	Income Level [1]	Renter #	Renter %	Owner #	Owner %	Total #	Total %
0% to 40%	$23,760	12,789	10%	8,077	6%	20,866	16%
41% to 60%	$35,640	8,705	7%	10,254	8%	18,959	15%
61% to 80%	$47,550	6,319	5%	11,966	9%	18,285	14%
81% to 100%	$59,400	3,772	3%	11,367	9%	15,139	12%
101% to 120%	$71,280	3,124	2%	11,255	9%	14,379	11%
121% to 150%	$89,100	2,299	2%	12,119	10%	14,419	11%
151% to 200%	$118,800	1,701	1%	14,935	12%	16,636	13%
201% and up	$118,800 +	484	0%	7,373	6%	7,856	6%
Total		39,192	31%	87,346	69%	126,538	100%

[1] Income level reflects highest point in AMI range and assumes a 2.5 person household
Source: Claritas, Economic & Planning Systems *2003 Data - Interpolations - Total*

In **Figures 2, 3, and 4**, typical wages that reflect local jobs are shown for each AMI income level. Job titles and wage rates are based on positions in the Aurora Public Schools, the City of Aurora, and the Aurora Medical Center and each job is shown within the corresponding income level. For example, an annual income of $23,700 can be generated by a single employee earning a wage of $11.42 or by a two-income household with average wages of $5.71. Both equate to 40 percent of AMI.

In each of the following figures, the income needed to purchase or rent the average priced home is shown as a band across the spectrum. The six different subareas reflect six different submarkets, and the prices vary accordingly. For example, the average priced single family home in Original Aurora sells for approximately $158,000 and requires an income of $48,000 to purchase. The band representing these factors terminates in the 80 to 100 percent income level, showing that it is affordable to a two-income household earning first-year teacher salaries ($14 per hour), or a single-income household with a teacher with 34 years of experience ($28 per hour).

The figures show the household income needed to purchase the average for sale and rental home in each subarea. In general, there are few single family options for households with composite wages less than $25 per hour. For townhome/ condominiums or apartments, combined household wages must exceed $17 to $20 to afford the average priced units. Current rental rates require aggregate wages of $15 to $17 per hour.

Figure 2
Spectrum of Affordability – Single Family Home
Aurora Housing Needs and Strategies

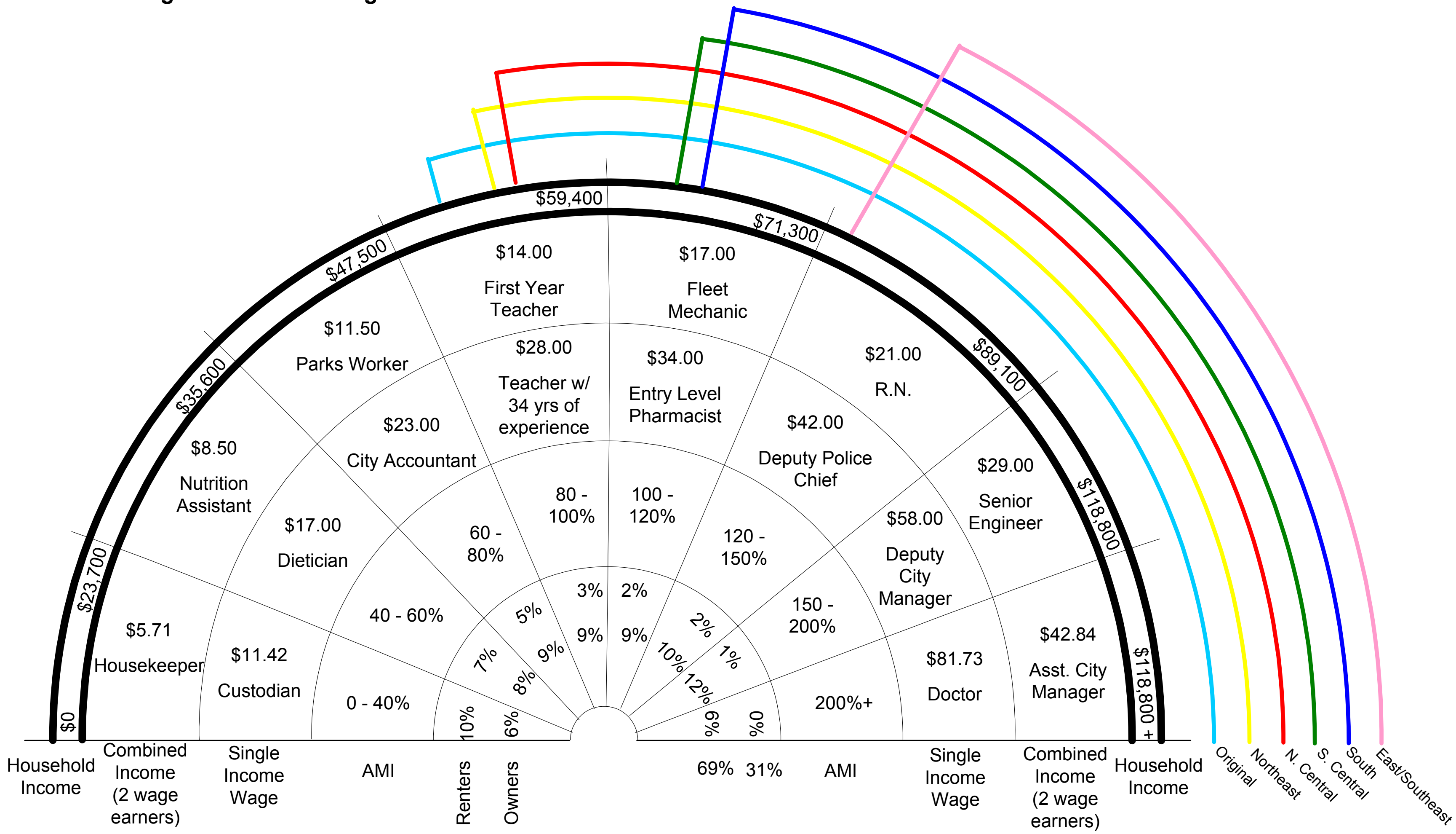


Figure 3
Spectrum of Affordability – Condominiums/Townhouses
Aurora Housing Needs and Strategies

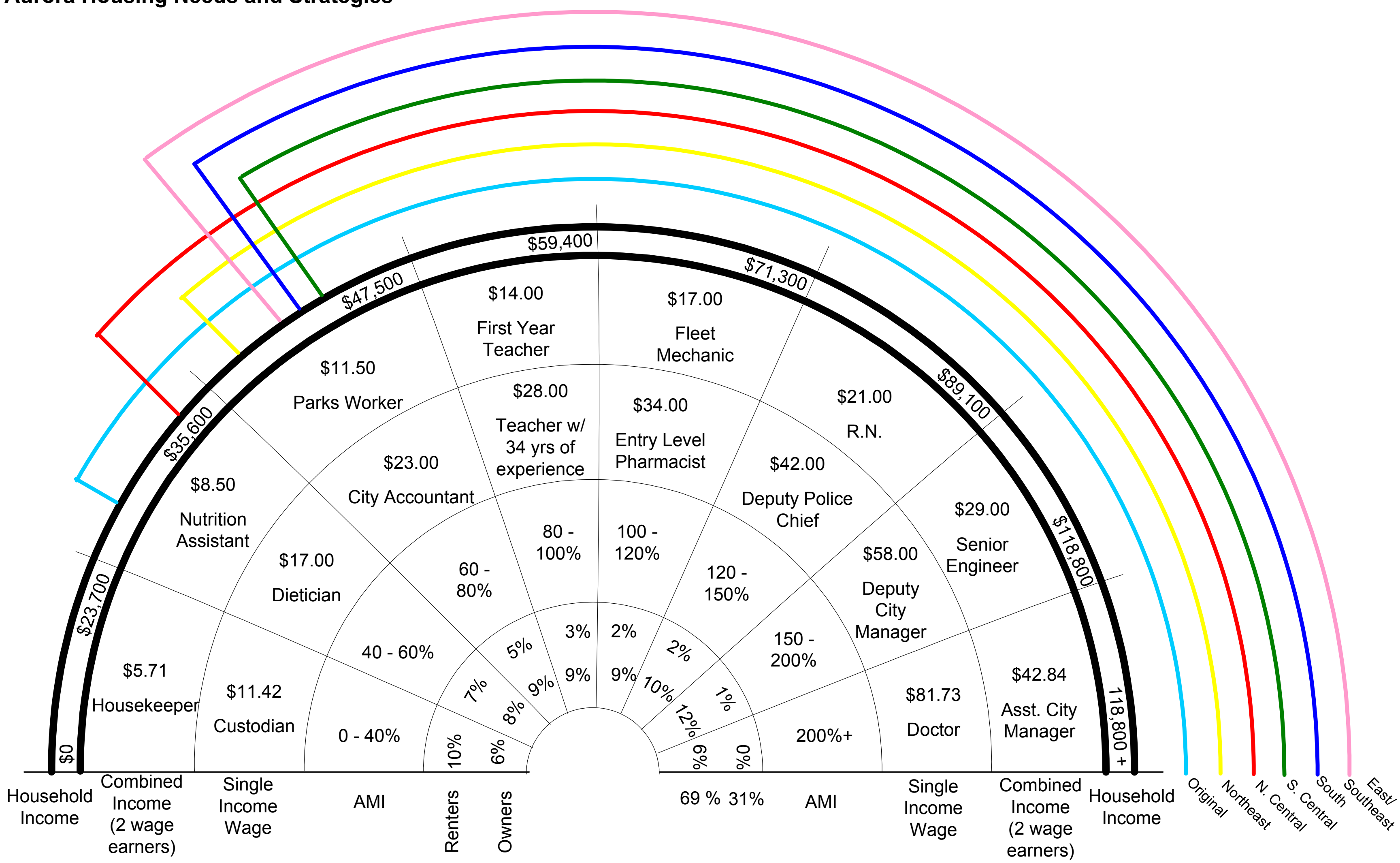
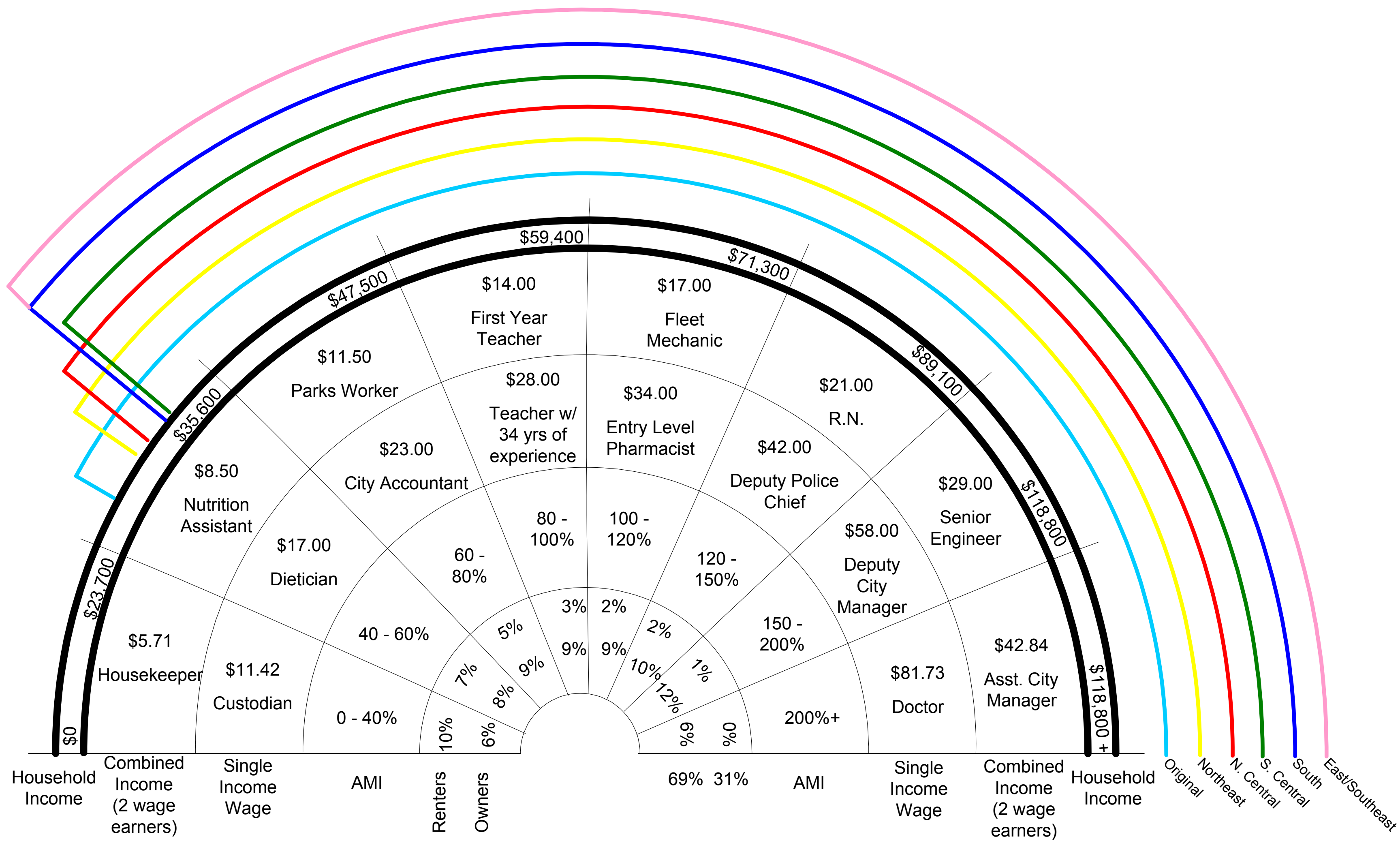


Figure 4
Spectrum of Affordability – Rental Apartments
Aurora Housing Needs and Strategies



In **Figures 5, 6, and 7**, the same analysis has been applied to single-income households. The wages for the lower income positions are shown relative to Aurora's housing costs, assuming that these households are limited to a single wage earner in an entry level position identified in the analysis. For these households, single family ownership is not possible in most subareas without becoming cost burdened. Condominiums and townhouses are more affordable, but households in the middle of the spectrum are limited to Original and North Central Aurora. The most significant finding from this analysis relates to apartments. The averaged priced rental units exceed the earning potential for half the spectrum of wage earners.

Figure 5
Spectrum of Affordability – Single Family, Single Wage
Aurora Housing Needs and Strategies

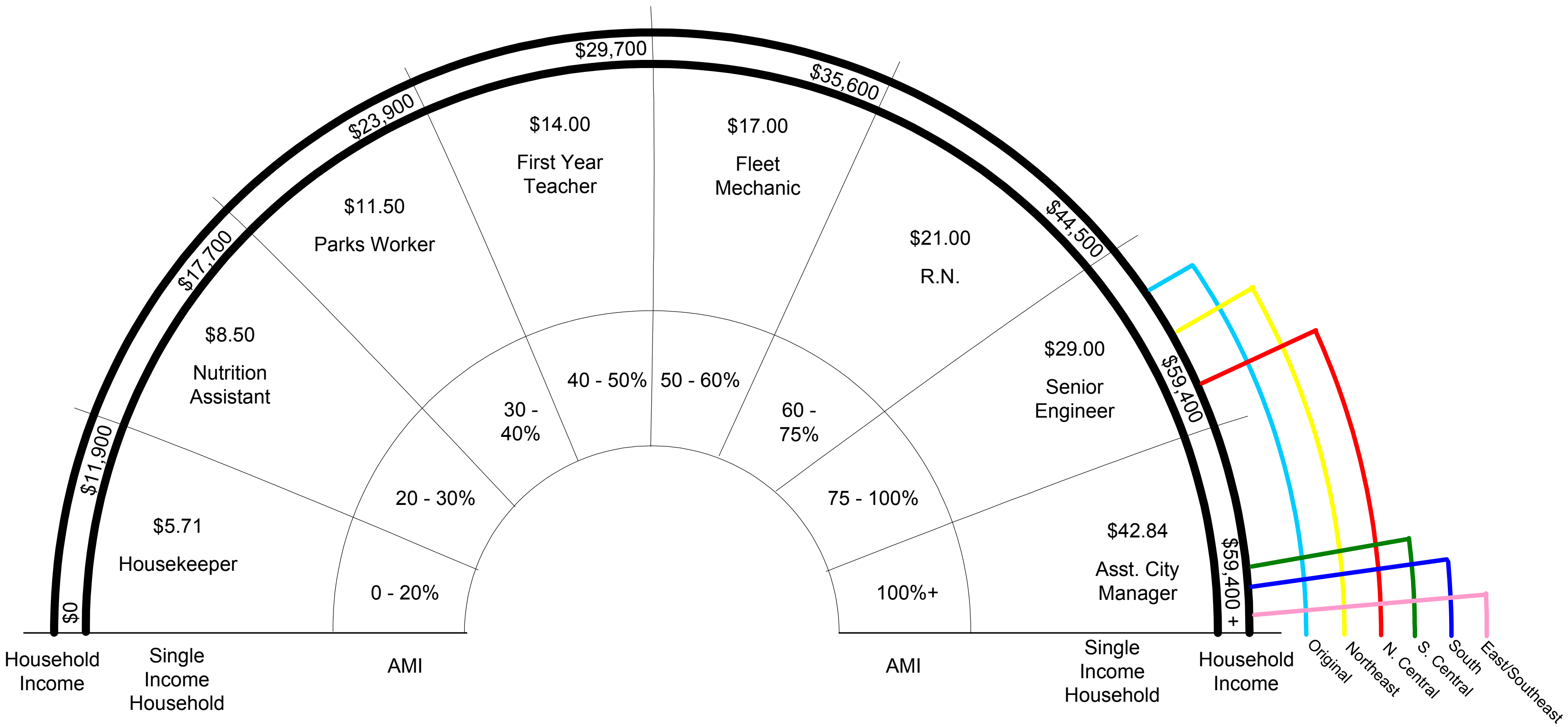


Figure 6
Spectrum of Affordability – Condo/Townhouses, Single Wage
Aurora Housing Needs and Strategies

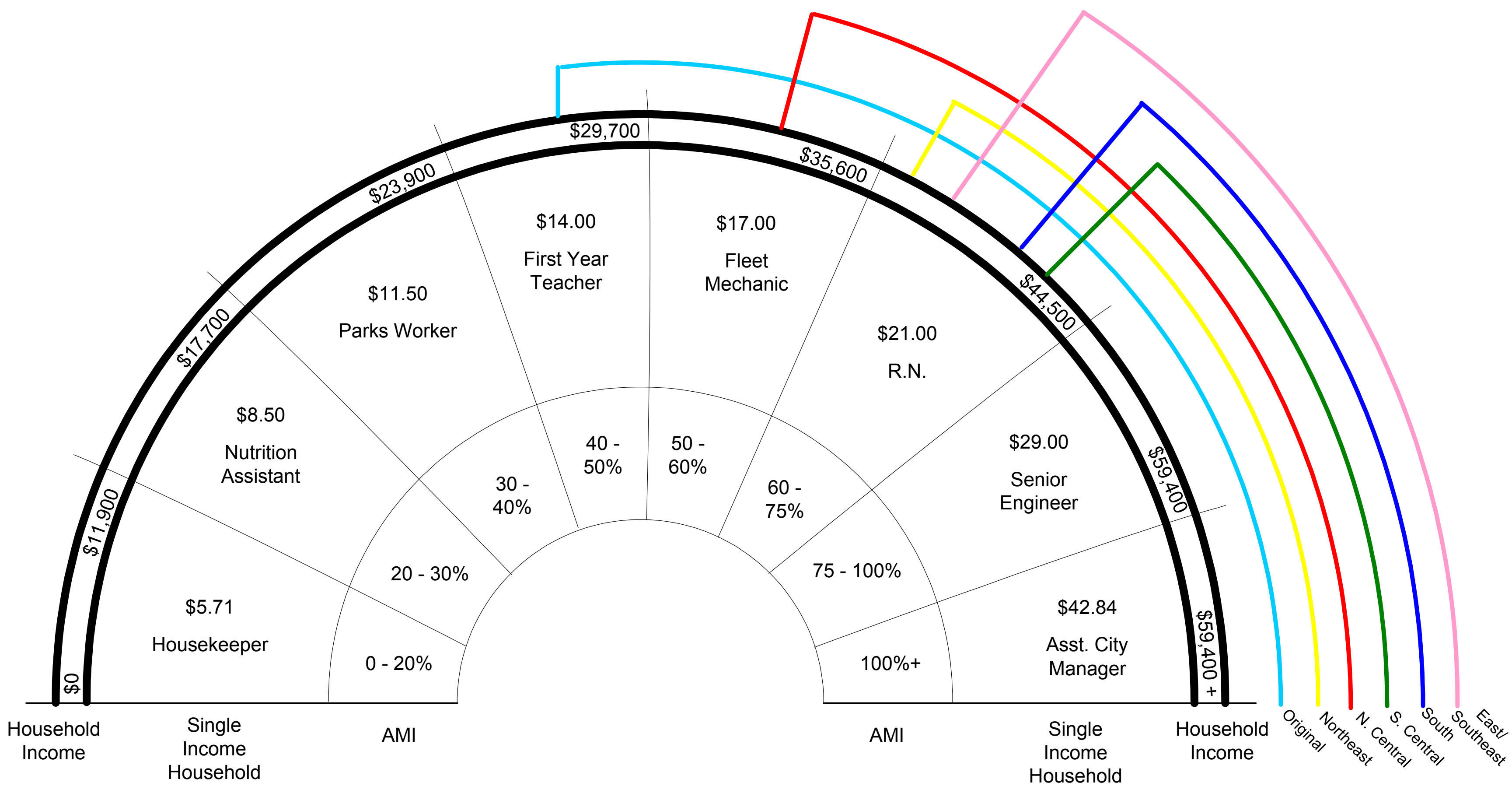
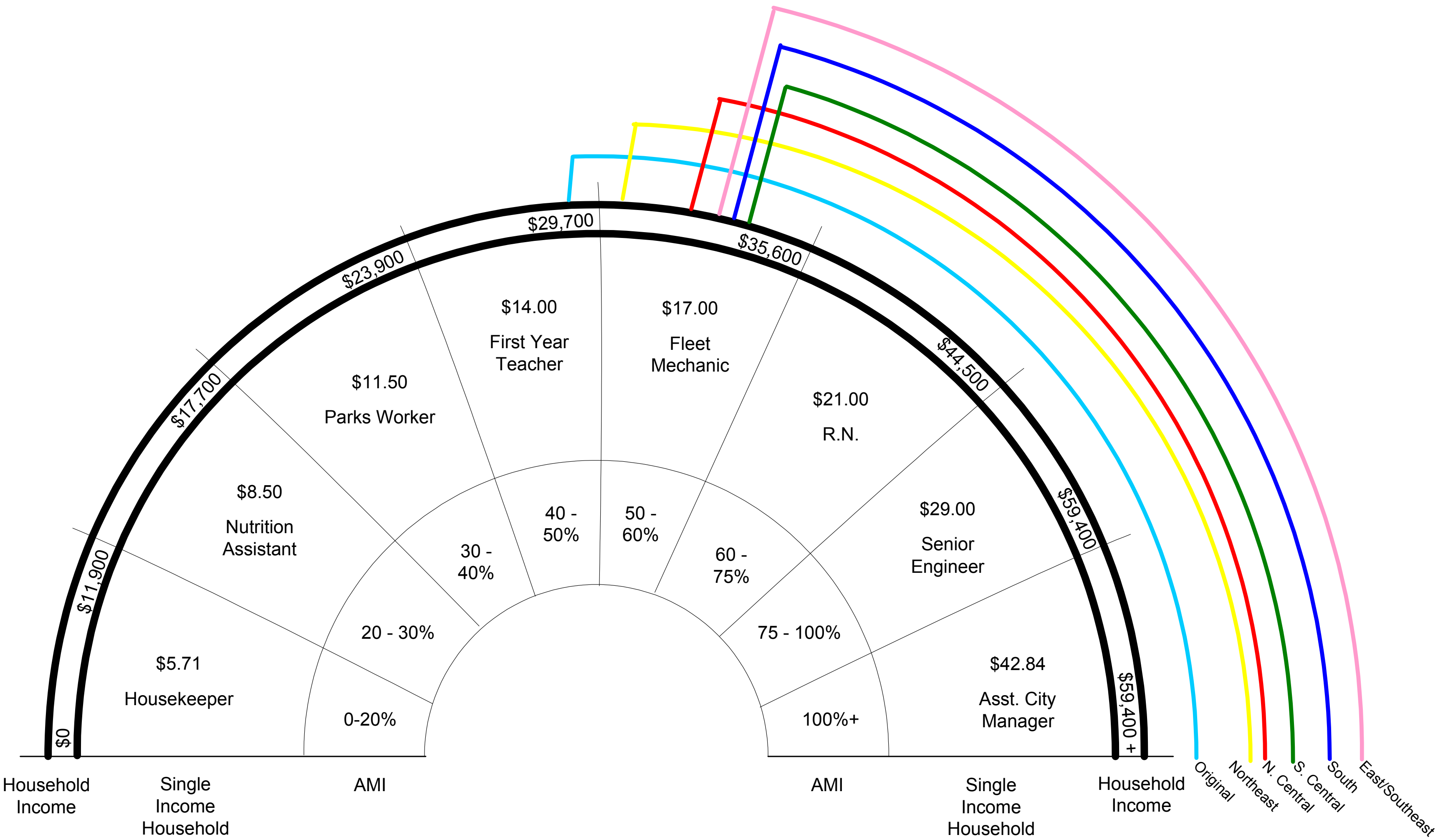


Figure 7
Spectrum of Affordability – Apartments, Single Wage
Aurora Housing Needs and Strategies

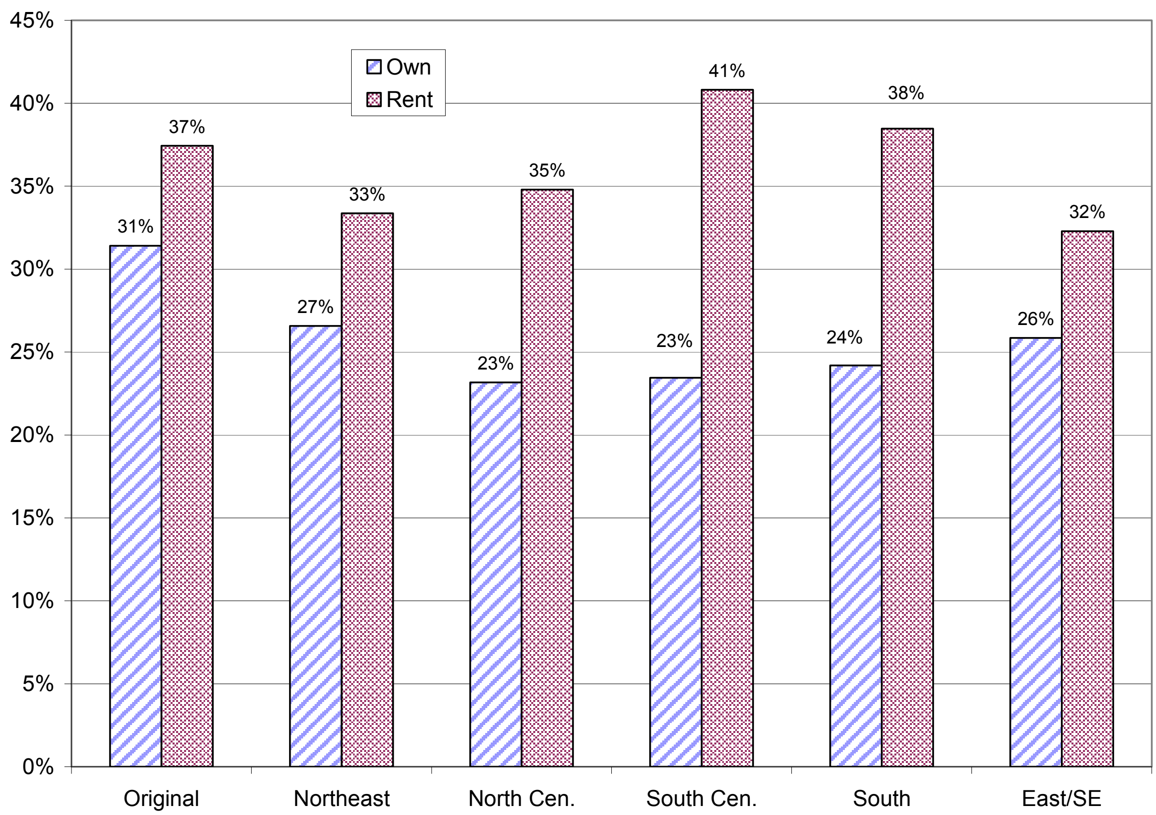


AFFORDABILITY AND COST BURDEN

As an overview of housing needs in Aurora, the two following figures show the percentage of cost burdened households in the community. Affordable housing is defined as shelter requiring no more than 30 percent of gross household income. Households paying more than 30 percent are considered cost burdened.

Figure 8 shows the percentage of cost burden households by own/rent. Nearly 40 percent of renters and 25 percent of owners meet this definition. Of these households, three-quarters of renters and two-thirds of owners actually pay more than 35 percent of gross income on housing expenses. When evaluating the subareas, Original Aurora has the highest percentage of cost burden owners and South Central has the highest level of renters.

Figure 8
Cost Burden by Subarea
Aurora Housing Needs and Strategies



A cost burden analysis has been provided in **Figure 9** using six employment categories and two measures of housing costs. The initial analysis is based on monthly rent/mortgage payment; the second includes other housing related costs, such as utilities, insurance, and taxes. In both cases, households with primary employment in retail and healthcare experience higher degrees of cost burden. When all housing costs are accounted for, nearly one-third of both sectors is cost burdened, compared to approximately one-quarter for the civic-government and industrial sectors.

In Figure 9 below, owner and renter households are shown by the percent of income spent on housing. The data isolate the households that are particularly cost burdened, showing that 16 percent of renters and 7 percent of owners pay more than 50 percent of their income on housing costs. Combined the two groups represent approximately 9,800 households in Aurora.

Figure 9
Percent of Income Spent on Housing
Aurora Housing Needs and Strategies

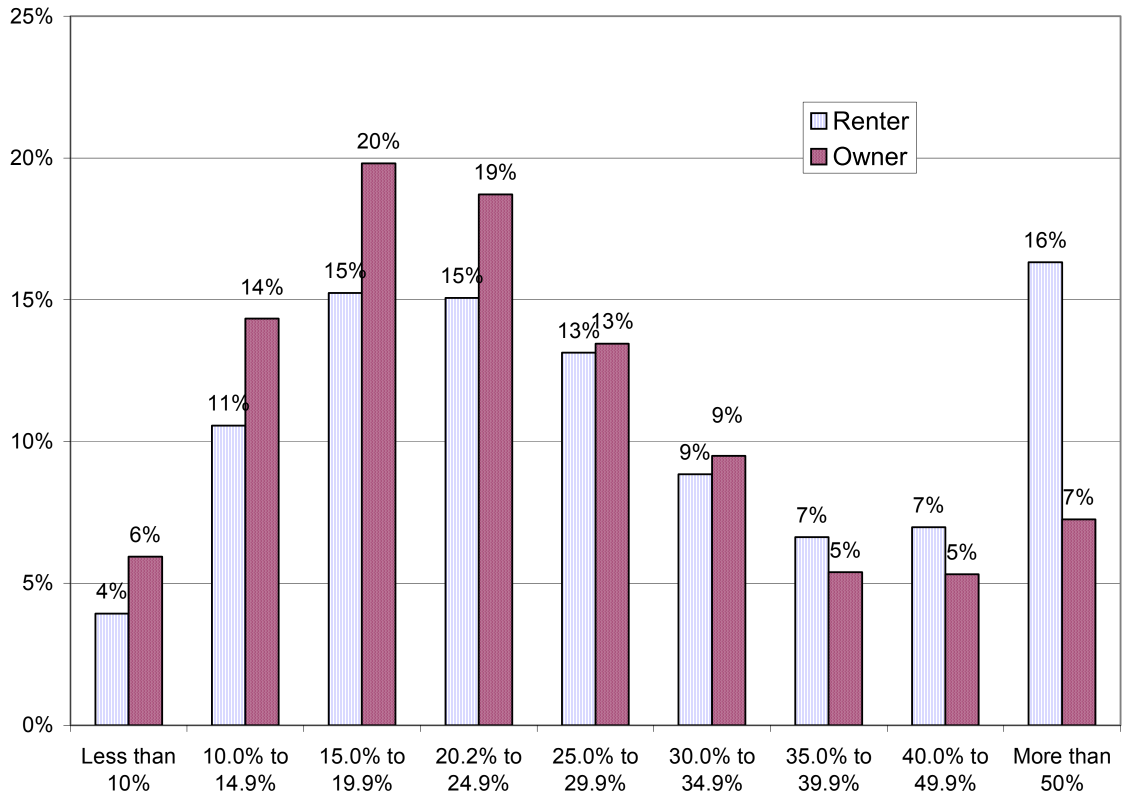
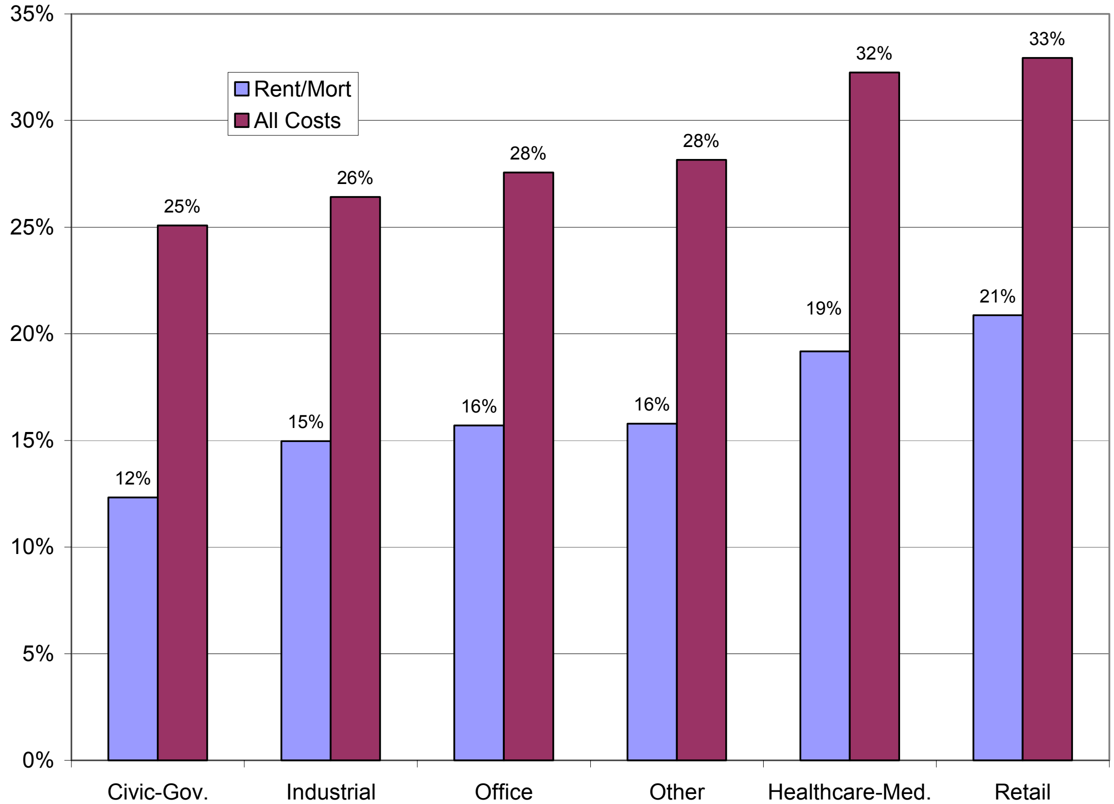


Figure 10
Cost Burden Employment
Aurora Housing Needs and Strategies



IV. DEMOGRAPHIC CONDITIONS

This chapter reviews existing economic and demographic conditions impacting housing affordability. Because Aurora is large and diverse, the information addresses both citywide statistics and detailed descriptions of six subareas. The subareas reflect planning boundaries established by the City of Aurora Planning Department and provide sufficient detail to understand the divergent and complex conditions that exist throughout the community.

POPULATION GROWTH

Over the past four decades, Aurora has grown from a population of 48,458 to 276,393 as shown in **Table 3**. The largest change occurred from 1970 to 1980, with the addition of 83,614 persons. During the 1970's, the community grew at an average rate of growth of 7.8 percent, more than three times the most recent growth rate of 2.2 percent.

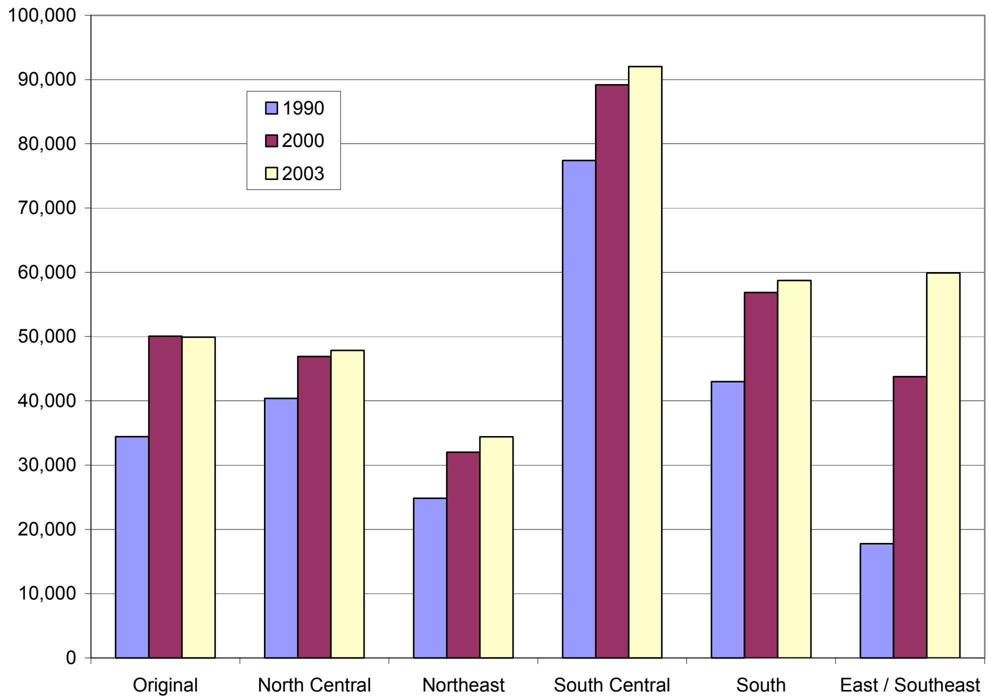
Table 3
Historical Growth
Aurora Housing Needs and Strategies

Year	Population	Change	Ave. Ann. Rate
1960	48,548	37,127	15.6%
1970	74,974	26,426	4.4%
1980	158,588	83,614	7.8%
1990	222,103	63,515	3.4%
2000	276,393	54,290	2.2%

Source: Colorado State Demographer, Economic & Planning Systems

Population estimates are shown by subarea on **Figure 11** and **Appendix Table A-1.** The South Central subarea is the most populous, with 27 percent of the community's total. The Northeast subarea has the fewest number of residents with only 10 percent of the total. The East-Southeast has been growing faster than other areas, with approximately 26,000 new residents from 1990 to 2000 and another 16,000 expected from 2000 to 2003. Original Aurora has also grown dramatically over the past decade, with nearly 16,000 new residents. The change in population for this area is expected to flatten or decrease slightly from 2000 to 2003.

Figure 11
Population Growth by Subarea, 1990 - 2003
Aurora Housing Needs and Strategies



Future growth forecasts are summarized in **Table 4** by subarea and shows high growth in limited areas. For the community as a whole, growth will decline to an annual average rate of 1.8 percent through 2008. The East-Southeast subarea is the only subarea slated for strong growth, with an annual average growth rate of 6.1 percent. The Northeast is expected to grow at rates ranging from 2.0 to 2.4 percent and the South will range from 1.3 to 1.6 percent. Other areas are expected to be relatively flat, with some contraction in some areas.

Table 4
Population and Housing Growth Projections, 2003 – 2008
Aurora Housing Needs and Strategies

	Original	Northeast	North Cen	South Cen	South	East/SE	Total
Population							
2003	49,914	34,406	47,840	49,914	58,721	59,914	300,709
2008	50,579	38,676	50,141	50,579	62,678	80,518	333,171
Households							
2003	16,070	11,799	20,625	16,070	21,582	18,776	104,922
2008	15,801	13,021	21,408	15,801	23,342	25,101	114,474
Change							
Population							
Number	665	4,270	2,301	665	3,957	20,604	32,462
Ann. %	0.3%	2.4%	0.9%	0.3%	1.3%	6.1%	2.1%
Household							
Number	-269	1,222	783	-269	1,760	6,325	9,552
Ann. %	-0.3%	2.0%	0.7%	-0.3%	1.6%	6.0%	1.8%

Source: Claritas, Economic & Planning Systems

Population Projections

The average household size varies by subarea. As of 2000, the Census recorded a citywide average of 2.60 persons per household. Based on the estimates in the table above, the average has increased to 2.87 as of 2003 and will make another slight increase to 2.91 by 2008. The subareas that exceed the citywide average include Original, South Central, and East/Southeast. For growing areas of the community, like the East/Southeast, the new housing product can respond to the changing household size. However, for areas where the housing stock has already been established, such as Original Aurora, the increasing household size presents additional challenges, such as overcrowding in existing developments and an increased demand for rehabilitated rental developments with updated unit mixes.

HOUSEHOLD CHARACTERISTICS

Approximately 66 percent of Aurora households own their homes and 34 percent rent, as shown in **Table 5.** The composition of owners and renters for the community mirrors the statewide average, which is 67 percent owner households and 33 percent renters. The state average is typical of most communities with moderate to large populations and reasonably balanced housing inventories. There are dramatic differences by subarea, ranging from a low of 48 percent owner household in North-Central to a high of 96 percent in East-Southeast. Two subareas, Original and North Central, have more renters than owners.

Table 5
Own/Rent
Aurora Housing Needs and Strategies

	Units			Percent of Total	
Area	**Owner**	**Renter**	**Total**	**Owner**	**Renter**
Original	7,234	9,222	16,456	44%	56%
Northeast	6,909	3,119	10,029	69%	31%
North Cen.	9,760	10,504	20,264	48%	52%
South Cen.	26,691	11,330	38,021	70%	30%
South	16,006	3,475	19,481	83%	17%
East/SE	7,218	298	7,516	96%	4%
Total	73,819	37,948	111,767	66%	34%

Source: 2000 US Census, Economic & Planning Systems *Summary Tables - Tenure*

Average housing payments for renter and owner households from the 2000 Census are shown in **Table 6.** For both renters and owners, lower housing costs are found in the north and west, increasing through the community to the south and east. Among owners, 41 percent of all households pay $1,000 to $1,499 per month, with one-quarter paying more and about one-third paying less. In five of the six subareas, the most frequently reported payment falls within this range. The exception is Original Aurora, with 43 percent of its owner households paying from $700 to $999 per month.

Rents are more volatile and the range of payments across the community varies more than mortgages. In the northern and central subareas, the most frequently reported rent ranges from $500 to $749 per month. For South Aurora and East-Southeast, rents are higher, ranging between $750 and $1,499.

Table 6
Housing Costs
Aurora Housing Needs and Strategies

	Original		Northeast		North Cen.		South Cen.		South		East/SE		Total	
	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.
Renter														
Less than $200	474	5%	204	7%	157	2%	261	2%	8	0%	0	0%	1,104	3%
$200 to $299	217	2%	141	5%	100	1%	88	1%	0	0%	0	0%	546	1%
$300 to $499	2,429	27%	521	17%	551	5%	310	3%	89	3%	7	3%	3,907	10%
$500 to $749	4,303	48%	1,256	42%	5,949	57%	4,062	36%	612	18%	71	27%	16,253	44%
$750 to $999	1,132	13%	527	18%	2,844	27%	3,917	35%	1,424	42%	45	17%	9,889	27%
$1,000 to $1,499	409	5%	317	11%	773	7%	2,064	18%	1,049	31%	93	36%	4,705	13%
$1,500 or more	53	1%	43	1%	50	0%	480	4%	230	7%	44	17%	900	2%
Rent as % of Income														
Under 30 percent	5,289	57%	1,876	61%	7,170	63%	6,476	57%	2,073	60%	167	58%	23,051	59%
30 to 34 percent	725	8%	230	7%	935	8%	1,175	10%	290	8%	26	9%	3,381	9%
35 percent or more	2,723	30%	801	26%	3,046	27%	3,440	30%	1,041	30%	67	23%	11,118	29%
Not computed	475	5%	183	6%	291	3%	216	2%	56	2%	28	10%	1,249	3%
Owner														
Less than $300	36	1%	14	0%	17	0%	33	0%	0	0%	18	0%	118	0%
$300 to $499	274	5%	102	2%	221	4%	399	2%	147	1%	45	1%	1,188	2%
$500 to $699	754	14%	433	10%	618	10%	1,333	7%	693	5%	87	1%	3,918	7%
$700 to $999	2,259	43%	1,446	32%	1,984	32%	5,021	26%	3,069	20%	566	9%	14,345	25%
$1,000 to $1,499	1,768	33%	1,766	39%	2,576	41%	9,236	47%	5,426	36%	2,387	38%	23,159	41%
$1,500 to $2,000	168	3%	356	8%	725	12%	2,992	15%	2,363	16%	1,981	32%	8,585	15%
$2,000 or more	40	1%	418	9%	155	2%	581	3%	3,462	23%	1,196	19%	5,852	10%
Mort. as % of Income														
Under 30 percent	4,491	68%	3,594	73%	5,895	76%	16,834	76%	10,604	76%	4,853	74%	46,271	75%
30 to 34 percent	644	10%	534	11%	540	7%	1,722	8%	1,141	8%	673	10%	5,254	8%
35 percent or more	1,441	22%	783	16%	1,247	16%	3,446	16%	2,252	16%	1,021	16%	10,190	16%
Not computed	61	1%	44	1%	33	0%	36	0%	27	0%	7	0%	208	0%

Source: 2000 US Census, Economic & Planning Systems

Table 7
Income as Percent of Housing Costs
Aurora Housing Needs and Strategies

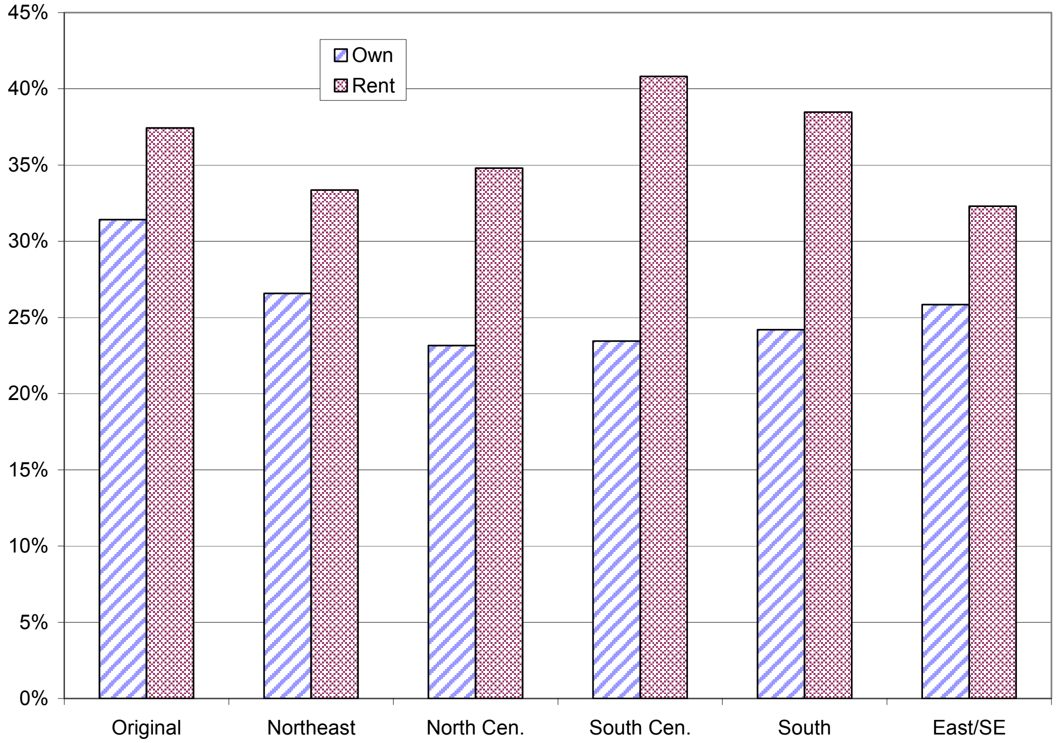
Percent of Income	Renter	Owner
Less than 10%	4%	6%
10.0% to 14.9%	11%	14%
15.0% to 19.9%	15%	20%
20.2% to 24.9%	15%	19%
25.0% to 29.9%	13%	13%
30.0% to 34.9%	9%	9%
35.0% to 39.9%	7%	5%
40.0% to 49.9%	7%	5%
More than 50%	16%	7%
Not Computed	3%	0%
Total	**100%**	**100%**

Source: US Census 2000, Economic & Planning Systems

H:\12857-Aurora Housing Needs\Data\ED\[Census Runs 50%.xls]Table

A more meaningful way to evaluate monthly housing payments is to assess the level of cost burden, shown in **Figure 12**. Households paying more than 30 percent of gross monthly income on housing costs are considered cost burdened. Nearly 40 percent of renters and 25 percent of owners meet this definition. Of these households, three-quarters of renters and two-thirds of owners actually pay more than 35 percent of gross income on housing expenses. When evaluating the subareas, Original Aurora has the highest percentage of cost burden owners and South Central is the highest for renters.

Figure 12
Cost Burden Owner and Renter Households
Aurora Housing Needs and Strategies



The racial composition also varies by subarea as shown in **Table 8**. The community as a whole is 61 percent White (non-Hispanic), 19 percent Hispanic, 12 percent Black, 4 percent Asian, and 4 percent other races. The largest concentrations of Hispanic residents can be found in Original Aurora with 49 percent and the Northeast with 23 percent. The Black population is more evenly distributed throughout Aurora, with a high of 21 percent in the North Central subarea and a low of 6 percent in the South.

As of the 2000 U.S. Census, 16 percent of all residents were foreign born. Approximately 17,000 of Original Aurora's 50,000 residents, or 35 percent of the total arrived from another county, with 91 percent from Latin America. Three other subareas have relatively high percentages of foreign born residents; the Northeast with 15 percent, North Central with 14 percent, and South Central with 11 percent. The South and East-Southeast subareas have 9 percent each. The recent arrivals represent a diverse set of backgrounds with 57 percent from Latin America, 23 percent from Asia, 13 percent from Europe, and 5 percent from Africa.

Table 8
Racial Composition and Place of Birth
Aurora Housing Needs and Strategies

	Original		Northeast		North Cen.		South Cen.		South		East/SE		Total	
	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.
Race														
Asian	1,034	2%	978	3%	2,028	4%	4,934	5%	2,671	5%	1,326	6%	12,971	4%
Black	7,134	14%	4,199	15%	9,726	21%	10,445	11%	3,340	6%	1,224	5%	36,068	12%
Hispanic	24,341	49%	6,683	23%	7,767	17%	10,250	11%	4,561	9%	1,714	7%	55,316	19%
White	15,618	31%	15,763	55%	25,463	54%	65,081	69%	41,219	77%	18,914	79%	182,058	61%
Other	1,940	4%	1,191	4%	1,932	4%	3,274	3%	1,551	3%	766	3%	10,654	4%
Total	**50,067**	**100%**	**28,814**	**100%**	**46,916**	**100%**	**93,984**	**100%**	**53,342**	**100%**	**23,944**	**100%**	**297,067**	**100%**
Foreign Born														
Asia	901	5%	827	19%	1,775	27%	4,022	38%	1,804	36%	1,097	54%	10,426	23%
Africa	165	1%	81	2%	811	12%	650	6%	310	6%	80	4%	2,097	5%
Europe	396	2%	463	10%	858	13%	2,409	23%	1,632	33%	419	20%	6,177	13%
Latin America	15,952	91%	2,980	67%	3,148	47%	3,267	31%	914	18%	374	18%	26,635	57%
Other	110	1%	68	2%	106	2%	322	3%	317	6%	77	4%	1,000	2%
Total	**17,524**	**100%**	**4,419**	**100%**	**6,698**	**100%**	**10,670**	**100%**	**4,977**	**100%**	**2,047**	**100%**	**46,335**	**100%**
% of Sub Area	**35%**		**15%**		**14%**		**11%**		**9%**		**9%**		**16%**	

Source: 2000 US Census, Economic & Planning Systems

Distribution of residents is shown in **Table 9**. Approximately one-quarter of residents are 5 to 19 years old and about half are 25 to 54 years old. The southern areas tend to have fewer older residents and slightly more children. There is a larger percentage of young children under 5 years in Original Aurora, accounting for 11 percent of its population, compared to 8 percent for the community.

However, the East-Southeast area has the highest percentage of the population in the school-age bracket. This will likely change in the coming years as the number of children under 5 in Original Aurora move into the school-age brackets. Most school-age children reside in the South Central subarea, consistent with this area's concentration of population.

Table 9
Age Distribution and School Participation
Aurora Housing Needs and Strategies

	Original		Northeast		North Cen.		South Cen.		South		East/SE		Total	
	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.	Num.	Per.
Age														
Under 5 Years	5,350	11%	2,475	9%	3,797	8%	6,330	7%	3,857	7%	2,091	9%	23,900	8%
5 to 19 Years	11,743	23%	7,081	25%	8,980	19%	19,460	21%	13,974	26%	6,710	28%	67,948	23%
20 to 24 Years	4,996	10%	1,946	7%	4,479	10%	6,093	6%	2,676	5%	834	3%	21,024	7%
25 to 54 Years	22,098	44%	12,735	44%	22,603	48%	45,691	49%	28,193	52%	12,476	52%	143,796	48%
55 to 64 Years	2,360	5%	2,142	7%	3,388	7%	7,625	8%	3,108	6%	1,210	5%	19,833	7%
65 to 84 Years	3,129	6%	2,256	8%	3,420	7%	7,677	8%	1,725	3%	591	2%	18,798	6%
85 years and over	391	1%	178	1%	249	1%	1,108	1%	227	0%	32	0%	2,185	1%
Total	**50,067**	**100%**	**28,814**	**100%**	**46,916**	**100%**	**93,984**	**100%**	**53,760**	**100%**	**23,944**	**100%**	**297,485**	**100%**
Education														
Kindergarten	1,007	10%	478	8%	773	10%	1,259	7%	664	5%	459	8%	4,640	8%
Grades 1- 8	6,470	65%	4,078	65%	4,747	60%	10,874	62%	7,906	63%	3,876	64%	37,951	63%
Grades 9 - 12	2,405	24%	1,733	28%	2,378	30%	5,358	31%	3,946	32%	1,693	28%	17,513	29%
Total School Pop.	**9,882**	**100%**	**6,289**	**100%**	**7,898**	**100%**	**17,491**	**100%**	**12,516**	**100%**	**6,028**	**100%**	**60,104**	**100%**
% of Subarea	**20%**		**22%**		**17%**		**19%**		**23%**		**25%**		**20%**	

Source: 2000 US Census, Economic & Planning Systems

DEMOGRAPHIC CHANGES

There are two subareas which have changed significantly in the past decade. In **Table 10** below, the demographic characteristics of Original Aurora show that the population increased by 15,619 (45 percent) while the housing stock increased by only 573 units (3 percent). This influx of population has resulted in overcrowding of housing units and other demographic and social changes. The racial composition of the new arrivals is primarily Hispanic, with an influx of more than 21,000 persons. The Black population increased slightly, 500 persons, and the white population has decreased by 7,500 persons. Homeownership increased modestly (1,242 households); however the overall balance remained generally the same with 56 percent renters and 44 percent owners.

Table 10
Original Aurora Subarea Changes, 1990 – 2000
Aurora Housing Needs and Strategies

	Original Aurora					
Demographics	**Number**		**Percent**		**1990 - 2000 Change**	
	1990	**2000**	**1990**	**2000**	**#**	**%**
Population	34,448	50,067	--	--	15,619	45%
Households	14,108	16,456	--	--	2,348	17%
Housing Units	17,286	17,859	--	--	573	3%
Race						
White	23,142	15,618	67%	31%	-7,524	-33%
Black	6,589	7,134	19%	14%	545	8%
Indian/Esk/Aleut	552	437	2%	1%	-115	-21%
Asian/Pacific [1]	1,088	1,164	3%	2%	76	7%
Other race [1]	8	1,373	0%	3%	1,365	-- [2]
Hispanic	3,069	24,341	9%	49%	21,272	693%
Tenure						
Owner occupied	5,992	7,234	43%	44%	1,242	21%
Renter occupied	7,912	9,222	57%	56%	1,310	17%
Total	13,904	16,456	100%	100%	2,552	18%

Source: US Census, Economic & Planning Systems *1990 Data - O,NC,NE*

[1] Races combined to accomidate changes in 1990 and 2000 census race descriptions

[2] Not statistically significant

The North Central subarea grew by 6,440 persons (16 percent) which also exceeded the growth in the housing inventory of 874 units (4 percent). **Table 11** shows that the shift in racial composition mirrors Original Aurora, although the magnitude of the changes is smaller. The number of owner occupied residences increased by 1,604 households, which is 20 percent higher than the ownership rate of 1990.

Table 11
North Central Subarea Changes, 1990 – 2000
Aurora Housing Needs and Strategies

	North Central					
Demographics	**Number**		**Percentage**		**1990 - 2000 Change**	
	1990	**2000**	**1990**	**2000**	**#**	**%**
Population	40,476	46,916	--	--	6,440	16%
Households	18,293	20,223	--	--	1,930	11%
Housing Units	20,228	21,102	--	--	874	4%
Race						
White	30,364	25,463	75%	54%	-4,901	-16%
Black	5,850	9,726	14%	21%	3,876	66%
Indian/Esk/Aleut	173	256	0%	1%	83	48%
Asian/Pacific [1]	1,574	2,117	4%	5%	543	34%
Other race [1]	68	1,587	0%	3%	1,519	-- [2]
Hispanic	2,747	7,767	7%	17%	5,020	183%
Tenure						
Owner occupied	8,156	9,760	44%	48%	1,604	20%
Renter occupied	10,174	10,504	56%	52%	330	3%
Total	18,330	20,264	100%	100%	1,934	11%

Source: US Census, Economic & Planning Systems *1990 Data - O,NC,NE*

[1] Races combined to accomidate changes in 1990 and 2000 census race descriptions

[2] Not statistically significant

HOMELESS PERSONS

The Metro Denver Homeless Initiative (MDHI) surveyed homeless persons throughout the Denver-metro area on January 19, 2004, with the purpose of gauging the level of need and measuring the area's progress towards addressing homelessness. For the 2004 effort, the survey was distributed through 120 agencies and programs.

- On January 19, 2004, the designated "point-in-time," there were 8,666 homeless persons in the metro area. Four out of every 10 homeless persons is a child or youth under 19.
- Forty percent of the homeless population is single; 60 percent consist of family members living together.
- Survey respondents ranged in age from 12 to 90. The majority are between 20 and 59.
- Males and females are equally represented among the total group of respondents. Similarly, the proportion of ethnic groups parallels that of the metro area, with the largest representation among Whites, followed by Hispanics, then Blacks.
- Approximately one-third of respondents were homeless for the first time at the time of the survey, indicating that a majority of respondents have had more than one cycle of homelessness.
- At the time of the survey, 1,531 persons had been homeless for less than 30 days accounting for 18 percent of the total. To estimate annual prevalence, it is assumed that the number of new cases each month is consistent over the year, generating 18,372 new homeless persons per year, yielding an annual prevalence of 27,038.

Table 12 below lists the types of shelter used by homeless persons.

Table 12
Types of Shelter
Aurora Housing Needs and Strategies

Place Slept Last Night	Total #
Transitional Housing	2,441
Temporarily with Family/Friends	2,707
Emergency Shelter	1,170
Hotel/Motel	735
House / Apt Own or Rent	642
On Street / Under Bridge	258
Camping / In a car	169
Domestic Violence Shelter	159
Other	385
Total	**8,666**

Source:Metro Denver Housing Initiative

Concerning geographic presence, 7.1 percent of all respondents report Aurora as their place of shelter for the previous night, as shown below in **Table 13**. This contrasts with Denver (48.0 percent) and Boulder (9.2 percent). Other significant communities include Lakewood (6.8 percent) and Longmont (6.1 percent). Applying Aurora's percentage to the total number reported at the point-in-time (8,666), there are approximately 615 homeless persons in the community. Applying the same percentage to the higher annual prevalence figure, there are approximately 1,919 homeless persons in Aurora over the course of a typical year.

Table 13
Place of Previous Night Shelter
Aurora Housing Needs and Strategies

Place	Number	Percent
Denver	1,980	48.0%
Boulder	380	9.2%
Aurora	**294**	**7.1%**
Lakewood	281	6.8%
Longmont	250	6.1%
Arvada	132	3.2%
Commerce City	105	2.5%
Westminster	70	1.7%
Thornton	64	1.6%
Englewood	63	1.5%
Wheat Ridge	52	1.3%
Other	456	11.0%
Total	**4,127**	**100.0%**

Source: Metro Denver Housing Initiative

TRANSITIONAL HOUSING NEEDS

Transitional housing units play a critical role in the community, meeting housing needs for residents who are not able to move into permanent housing. Due to the transient nature of these residents, documenting information about them is difficult. A significant number of transitional residents reside in a concentration of older motels along the Colfax corridor. These motels rent rooms on a nightly, weekly, or monthly basis, and function as defacto transitional housing, given the very small inventory of true transitional units in the community.

There are a limited number of non-profit organizations serving this population. Staff and volunteers closest to the issue estimate a total of 350 households with children and another 200 households of adults live in the motels. A survey of the motels in the area show a supply of approximately 450 units with full kitchens. Many others come equipped with refrigerators and microwave ovens. A summary of the inventory is provided below in **Table 14.**

Table 14
Motel Inventory
Aurora Housing Needs and Strategies

Motel	Address	# of Units	# With Kitchens	# Without Kitchens
Aurora Motel	11712 E Colfax Ave	19	6	13
Bel-Aire Motel	13250 E Colfax Ave	28	N/A	N/A
Blue Spruce Motel	12500 E Colfax Ave	90	60	30
Dunes Motel	13000 E Colfax Ave	79	67	12
Family Motel	13280 E Colfax Ave	67	67	0
King's Inn	11800 E Colfax Ave	169	57	33
Manor House Motel	12700 E Colfax Ave	27	N/A	N/A
Ranger Motel	11220 E Colfax Ave	50	25	25
Sands Motel	13388 E Colfax Ave	61	44	14
Skyline Motor Court	10910 E Colfax Ave	20	N/A	N/A
Timberline Motel	11818 E Colfax Ave	30	30	0
Top Star Motel	10890 E Colfax Ave	19	5	14
Weekly Motor Inn	13490 E Colfax Ave	33	33	0
Total		**692**	**394**	**141**

Source: Aurora Hotel Study, Economic & Planning Systems Interviews
H:\12857-Aurora Housing Needs\Data\[Colfax Hotel Summary.xls]Sheet1

Those familiar with the patterns of these transitional residents estimate that 60 percent of the population has lived in Aurora less than one month; 30 percent stay for six months or longer; and 10 percent are long-term, permanent residents. The short-term families are typically on a migration circuit that brings them back to the community after covering multiple states in the western US. Approximately 20 to 30 families a year move into permanent housing, with the assistance of organizations that provide security and utility deposits and household goods. The families that are able to secure permanent housing represent approximately seven percent of the total.

To show context for the neediest households in the community, income data were evaluated based on minimum wage. The threshold of $10,700 has been used, which is the income generated by a full-time job at $5.15 per hour. There are 5,700 households in Aurora living at or below these wages, most of who rely on a single-income with part-time employment. Approximately half live in Original and Northeast Aurora and the other half live in North and South Central Aurora. A very small percentage live in the southern subareas. Although these households have very low incomes, they do not include the truly transitional households referenced above which are not typically captured by surveys.

A critical problem facing residents that live in the motels is the cost of the housing. Of the motels surveyed, the least expensive units with kitchens rent for $150 to $200 per week. Some motels will reduce rents by approximately 10 percent for tenants renting a full month, which translates to a monthly rent of $540 to $720. While none of the motels were fully occupied when surveyed, most have low vacancy rates with only one to two units available at a given time. Because there are many apartment developments in the area which provide better living environments and offer one-bedroom apartments at lower rents, the transitional residents are not well-served by the existing conditions.

Alternative housing solutions would benefit residents and could generate secondary benefits, such as economic development activity along the Colfax corridor. The need is present; however, the resources to address this need are limited. In addition to development costs, the on-going staffing costs are quite significant. Funds for these types of services are typically provided through counties. A partnership with Arapahoe and Adams Counties will be necessary to address not only the housing needs, but also the service needs.

As discussed elsewhere in this analysis, the objective should be to expand capacity and allocate newly created resources to this sector of the community. A critical element of any transitional housing effort will be partnerships with Adams and Arapahoe Counties to provide funding for services. The target should be to replace the existing, ad hoc transitional inventory with permanent solutions that are more affordable and provide better living environments. The priority for additional units should address households with stronger connections to the community (i.e., those remaining for more than six months) followed by solutions for emergency housing.

V. ECONOMIC CONDITIONS

This chapter summarizes economic conditions for the City of Aurora, including total employment, employment by sector, growth projections, wages, and household income. This secondary data is supplemented with information obtained from a survey of major Aurora employers to obtain more specific information on the housing needs of area employees.

EMPLOYMENT BY INDUSTRY

In this section, Aurora's employment is evaluated by sector and wage level. The analysis is based on data from the Denver Regional Council of Governments and the Department of Labor and Employment and represent the wage and salary jobs in the community. These are classified as ES202 jobs and reflect all positions covered by unemployment insurance.

The number of businesses and employees is shown in **Table 15** using 3-digit categories of the North American Industrial Classification System (NAICS). The Aurora Economic Development Council estimates that there are currently 12,300 businesses that employ more than 118,000 people. The total ES202 employment, 94,431, accounts for approximately 80 percent of all employment which is consistent with other communities.

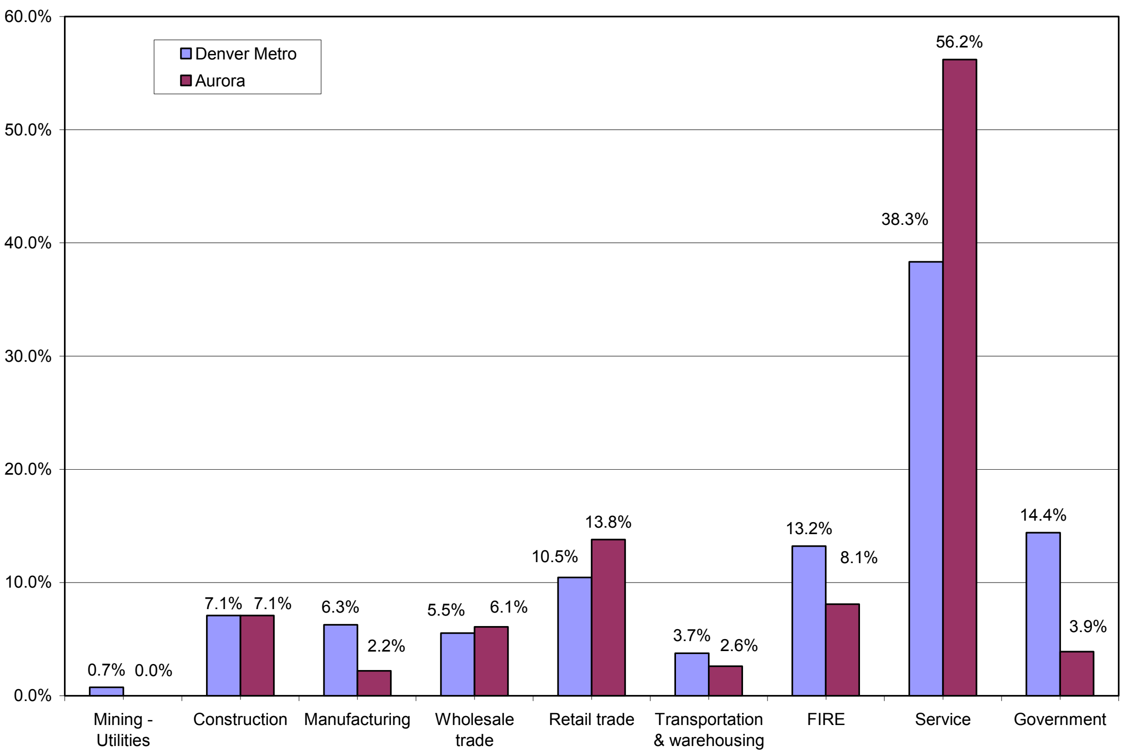
Table 15
Employment by Industry
Aurora Housing Needs and Strategies

Industry	Firms	Employees	Average Size	% of Total
Agriculture	**0**	**0**	--	**0.0%**
Mining - Utilities	**0**	**0**	--	**0.0%**
Construction	**680**	**6,685**	**10**	**7.1%**
Manufacturing				
Paper Manufacturing	7	225	32	0.2%
Printing and Related Support Activities	27	220	8	0.2%
Plastics and Rubber Products Manufacturing	11	313	28	0.3%
Nonmetallic Mineral Product Manufacturing	11	155	14	0.2%
Fabricated Metal Product Manufacturing	6	63	11	0.1%
Machinery Manufacturing	9	120	13	0.1%
Computer and Electronic Product Manufacturing	11	355	32	0.4%
Electrical Equip., Appliance, and Component Man.	10	40	4	0.0%
Transportation Equipment Manufacturing	7	422	60	0.4%
Miscellaneous Manufacturing	10	77	8	0.1%
Other	9	45	5	0.0%
Subtotal	**118**	**2,035**	**17**	**2.2%**
Wholesale Trade	**455**	**5,758**	**13**	**6.1%**
Retail Trade				
Motor Vehicle and Parts Dealers	71	1,902	27	2.0%
Furniture and Home Furnishings Stores	33	228	7	0.2%
Electronics and Appliance Stores	42	450	11	0.5%
Building Material and Garden Equip.	29	906	31	1.0%
Food and Beverage Stores	113	2,715	24	2.9%
Health and Personal Care Stores	46	580	13	0.6%
Gasoline Stations	78	673	9	0.7%
Clothing and Clothing Accessories Stores	99	725	7	0.8%
Sporting Goods, Hobby, Book, and Music Stores	60	634	11	0.7%
General Merchandise Stores	13	2,467	190	2.6%
Miscellaneous Store Retailers	84	1,254	15	1.3%
Nonstore Retailers	76	456	6	0.5%
Subtotal	**744**	**12,990**	**17**	**13.8%**
Transportation and Warehousing	**135**	**2,482**	**18**	**2.6%**
Finance, Insurance, Real Estate, Information	**790**	**7,646**	**10**	**8.1%**
Service				
Professional, Management, Administrative	621	11,223	18	11.9%
Educational Services	97	8,725	90	9.2%
Health	502	10,130	20	10.7%
Arts, Entertainment, Recreation	24	132	6	0.1%
Accommodation	34	916	27	1.0%
Food Services and Drinking Places	381	7,148	19	7.6%
Other Services	1,314	14,835	11	15.7%
Subtotal	**2,973**	**53,109**	**18**	**56.2%**
Government	**64**	**3,682**	**58**	**3.9%**
Other	**39**	**44**	**1**	**0.0%**
Total	**5,998**	**94,431**	**16**	**100.0%**

Source: Denver Regional Council of Governments, Economic & Planning Systems *3 Digit Ind Break - Sum*

The composition of local employment is weighted toward Services, which account for 56 percent of total employment. As shown in **Figure 13** this compares to 38 in the Denver metro area as a whole. Other significant differences are higher representation of Retail Trade, lower presence of Government jobs, and fewer jobs in Finance, Insurance, and Real Estate (FIRE).

Figure 13
Employment by Industry, Aurora and Denver Metro
Aurora Housing Needs and Strategies



Services can be separated into relatively high paying jobs such as professional services (such as lawyers, accountants and engineers) educational services, and healthcare, and relatively low-wage jobs such as accommodations and food services (restaurants and bars) that more closely resemble Retail Trade jobs. The Service sector reflects a broad range of job types including Professional, Management and Administrative (11.9 percent); Health Care (10.7 percent); Education (9.2 percent); and Food Services and Drinking Places (7.6 percent). Some are highly attractive to a community as they represent basic employment that generates other jobs and contributes significantly to the community's overall spending potential. The ripple effect through the economy is highly beneficial as these jobs drive demand for additional businesses which create additional employment opportunities. Examples include medical specialists, engineers, or high-tech communications. The Service sector also represents the lower end of the spectrum of secondary employment positions that support the basic jobs. Examples would include employees in restaurants and bars or housekeepers in the lodging industry.

The second largest sector in the community is Retail Trade, accounting for 13.8 of total jobs. Within this category, the major employers include Food and Beverage (2.9 percent); General Merchandise (2.6 percent); and Motor Vehicle and Parts Dealers (2.0 percent). Retail employment provides lower paying jobs, relative to the broader context. The classification with the lowest wages is General Merchandise stores that would include department stores and discount merchandise stores.

Other sectors that play important roles in the Aurora economy include Finance, Insurance, Real Estate, and Information with 8.1 percent of total jobs; Construction with 7.1 percent; and Wholesale Trade at 6.1 percent. These types of jobs tend to be more attractive to a community as the wages rise commensurately with the level of education or physical skill.

WAGES BY INDUSTRY

The wages by employment classification are shown on the following page in **Table 16.** To convey earning potential, averages are shown in context with the minimum and maximum wages for each sector. For most employment sectors, a limited number of positions at the top command premium wages and skew averages above the median. Most jobs fall below the average shown.

The highest sectors (those with average wages above $40,000) are found in Utilities, Wholesale Trade, Professional, Management, and Administrative Services, and Healthcare. The lowest (paying less than $20,000 on average) are found in Accommodation, Food Service, and many retail classifications. General Merchandise retail jobs have the lowest average of all categories represented in the city. This category includes department, discount department, and membership warehouse stores.

Table 16
Wage Range by Industry
Aurora Housing Needs and Strategies

Industry	Average
Agriculture	**$64,848**
Mining - Utilities	**$47,725**
Construction	**$30,887**
Manufacturing	**$37,194**
Wholesale Trade	**$56,545**
Retail Trade	
Motor Vehicle and Parts Dealers	$31,191
Furniture and Home Furnishings Stores	$30,640
Electronics and Appliance Stores	$24,906
Building Material and Garden Equip.	$28,689
Food and Beverage Stores	$23,019
Health and Personal Care Stores	$26,430
Gasoline Stations	$19,419
Clothing and Clothing Accessories Stores	$18,277
Sporting Goods, Hobby, Book, and Music	$18,542
General Merchandise Stores	$17,808
Miscellaneous Store Retailers	$19,731
Nonstore Retailers	$24,650
Subtotal	**$23,608**
Transportation and Warehousing	**$33,343**
Finance, Insurance, Real Estate, Info.	**$38,672**
Service	
Professional, Management, Administrative	$46,346
Educational Services	$36,205
Health	$44,108
Arts, Entertainment, Recreation	$20,160
Accommodation	$17,877
Food Services and Drinking Places	$15,070
Other Services	$26,851
Subtotal	**$29,517**
Government	**$32,941**
Other	**$42,320**

Source: Colorado Labor and Employment, Economic & Planning Systems *Aurora Housing ES202*
* Minimums are based on removing incomes below $10,000

EMPLOYMENT FORECASTS

Based on Denver Regional Council of Government (DRCOG) estimates, future employment estimates are shown in **Table 17**. DRCOG data is limited to four categories -- production, retail, service, and other. A City of Aurora analysis that provides additional detail and accounts for high activity locations (such as the Fitzsimons redevelopment) continues to be under evaluation and was not available at the time of this report.

From 2005 to 2020, each of the sectors is estimated to grow at relatively even rates, with Retail slightly outpacing the others (3.1 percent annual average, compared to 2.9 percent for Aurora). Of the additional 64,000 jobs anticipated, about half will be Service, a quarter will be Production, and a quarter will be Retail.

Table 17
Employment Projections by Category
Aurora Housing Needs and Strategies

	Prod.	Retail	Serv.	Other	Total
Employment					
2005	30,490	23,837	57,615	9,489	121,431
2010	34,822	30,888	65,674	10,973	142,357
2015	41,585	34,420	76,223	12,424	164,652
2020	46,697	37,907	86,721	13,802	185,127
Growth					
2006-2010	4,332	7,051	8,059	1,484	20,926
2011-2015	6,763	3,532	10,549	1,451	22,295
2016-2020	5,112	3,487	10,498	1,378	20,475
Total	16,207	14,070	29,106	4,313	63,696
Change					
2006-2010	14%	30%	14%	16%	17%
2011-2015	19%	11%	16%	13%	16%
2016-2020	12%	10%	14%	11%	12%
Ann. Ave	2.9%	3.1%	2.8%	2.5%	2.9%

Source: Denver Reg.Council of Gov., EPS *Industry Projections - By Sector*

The forecast has also been evaluated by subarea, as shown in **Table 18.** The subareas expected to attract the greatest number of new jobs is Northeast Aurora (19,810), Original Aurora (16,985), and East-Southeast (15,498). Although not slated for high growth, the South Central subarea will have the highest concentration of total jobs. Future growth for this area, however, is limited with only 3,626 new jobs expected by 2020. South Aurora has the fewest jobs at this time and is expected to have the smallest increase in the future, which reflects its predominately residential character and limited development opportunities.

Table 18
Employment Projections by Subarea
Aurora Housing Needs and Strategies

	Original	North Central	Northeast	South	South Central	East/ Southeast
Employment						
2005	19,291	23,055	23,415	6,990	37,937	10,743
2010	22,930	23,652	29,708	6,996	38,373	20,698
2015	29,609	27,360	36,501	7,096	39,989	24,097
2020	36,276	30,639	43,225	7,183	41,563	26,241
Growth						
2006-2010	3,639	597	6,293	6	436	9,955
2011-2015	6,679	3,708	6,793	100	1,616	3,399
2016-2020	6,667	3,279	6,724	87	1,574	2,144
Total	16,985	7,584	19,810	193	3,626	15,498

Source: Denver Regional Council of Gov., Economic & Planning Systems *Industry Projections - Totals II*

The data in **Table 18** has been expanded in **Table 19** and shows growth by industry by subarea. For the three subareas slated for the highest growth, Services and Retail will predominate.

- In Northeast Aurora, Services will grow at an annual average rate of 6.8 percent adding approximately 10,000 jobs to the subarea.

- In Original Aurora, Services will grow at 4.1 percent, which is less than the growth of Production at 5.9 percent, but will account for nearly two-thirds of all jobs by 2020.

- Concerning the East-Southeast, Retail represents the highest growth sector with double digit annual average growth. With a 12.4 annual average rate of growth, the area is expected to see an increase of nearly 8,500 retail jobs.

Table 19
Employment Projections by Category by Subarea
Aurora Housing Needs and Strategies

	2005	2010	2015	2020	Change 2005-2020	Annual Average
Original						
Prod.	4,074	5,300	7,490	9,677	5,603	5.9%
Retail	1,714	1,714	1,716	1,717	3	0.0%
Serv.	12,401	14,678	18,744	22,807	10,406	4.1%
Other	1,102	1,238	1,659	2,075	973	4.3%
Total	19,291	22,930	29,609	36,276	16,985	4.3%
North Central						
Prod.	2,596	2,744	3,636	4,122	1,526	3.1%
Retail	5,660	5,805	6,883	7,955	2,295	2.3%
Serv.	12,943	13,222	14,689	16,149	3,206	1.5%
Other	1,856	1,881	2,152	2,413	557	1.8%
Total	23,055	23,652	27,360	30,639	7,584	1.9%
Northeast						
Prod.	12,960	14,779	17,097	19,398	6,438	2.7%
Retail	2,987	3,686	4,215	4,731	1,744	3.1%
Serv.	6,264	9,648	13,260	16,854	10,590	6.8%
Other	1,204	1,595	1,929	2,242	1,038	4.2%
Total	23,415	29,708	36,501	43,225	19,810	4.2%
South Central						
Prod.	5,542	5,590	5,903	6,209	667	0.8%
Retail	9,879	10,151	10,788	11,412	1,533	1.0%
Serv.	19,243	19,336	19,918	20,490	1,247	0.4%
Other	3,273	3,296	3,380	3,452	179	0.4%
Total	37,937	38,373	39,989	41,563	3,626	0.6%
South						
Prod.	894	894	895	895	1	0.0%
Retail	1,839	1,839	1,886	1,930	91	0.3%
Serv.	3,112	3,112	3,114	3,114	2	0.0%
Other	1,145	1,151	1,201	1,244	99	0.6%
Total	6,990	6,996	7,096	7,183	193	0.2%
East/Southeast						
Prod.	4,424	5,515	6,564	6,396	1,972	2.5%
Retail	1,758	7,693	8,932	10,162	8,404	12.4%
Serv.	3,652	5,678	6,498	7,307	3,655	4.7%
Other	909	1,812	2,103	2,376	1,467	6.6%
Total	10,743	20,698	24,097	26,241	15,498	6.1%

Source: Denver Council of Governments, Economic & Planning Systems — Industry Projections - Totals

WAGES AND INCOME

Table 20 shows the number and percentage of households in Aurora by income level and by six major employment classifications. The numbers are employed persons by residential address from the U.S. Census, not to be confused with employment by place of business presented earlier. For the analysis, households were categorized based on the type of job held by the primary income earner. The six employment categories are civic-government, healthcare, industrial, office, retail, and other. The geographic area represented by the data includes some unincorporated area east of the city. As data is cross tabulated, totals vary due to incomplete responses for certain detailed questions.

The retail and healthcare sectors have a disproportionately large percentage of lower income households. Eleven percent of retail workers earn less than $15,000, compared to seven percent citywide, and seven percent earn between $15,000 and $19,999, compared to four percent citywide. The health care sector exceeds the citywide average on the low and high end of the income spectrum. There are more households in this category earning less than $15,000 and more than $125,000 compared to the average for the community.

Table 20
City of Aurora, Household Income by Employment Sector
Aurora Housing Needs and Strategies

Income Range	Civic-Gov.	Healthcare	Industrial	Office	Retail	Other	Total
Less than $15,000	649	738	525	1,752	2,223	1,576	7,463
$15,000 to $19,999	244	237	428	1,159	1,338	787	4,193
$20,000 to $24,999	376	506	418	1,765	1,176	1,464	5,705
$25,000 to $29,999	497	670	618	2,430	1,309	1,331	6,855
$30,000 to $34,999	801	767	610	2,304	1,436	1,420	7,338
$35,000 to $39,999	830	453	571	2,211	1,333	1,628	7,026
$40,000 to $44,999	950	472	759	2,127	1,331	1,835	7,474
$45,000 to $49,999	900	532	582	1,781	953	1,954	6,702
$50,000 to $59,999	1,741	1,030	1,163	3,170	2,041	2,807	11,952
$60,000 to $74,999	2,299	833	1,648	4,798	2,517	3,189	15,284
$75,000 to $99,999	2,359	826	1,728	4,983	2,504	3,892	16,292
$100,000 to $124,999	1,153	321	603	2,930	1,009	1,218	7,234
$125,000 to $149,999	447	415	566	1,118	493	428	3,467
$150,000 to $199,999	328	236	370	776	359	346	2,415
$200,000 or more	78	216	261	870	327	463	2,215
Total	**13,652**	**8,252**	**10,850**	**34,174**	**20,349**	**24,338**	**111,615**
Less than $15,000	5%	9%	5%	5%	11%	6%	7%
$15,000 to $19,999	2%	3%	4%	3%	7%	3%	4%
$20,000 to $24,999	3%	6%	4%	5%	6%	6%	5%
$25,000 to $29,999	4%	8%	6%	7%	6%	5%	6%
$30,000 to $34,999	6%	9%	6%	7%	7%	6%	7%
$35,000 to $39,999	6%	5%	5%	6%	7%	7%	6%
$40,000 to $44,999	7%	6%	7%	6%	7%	8%	7%
$45,000 to $49,999	7%	6%	5%	5%	5%	8%	6%
$50,000 to $59,999	13%	12%	11%	9%	10%	12%	11%
$60,000 to $74,999	17%	10%	15%	14%	12%	13%	14%
$75,000 to $99,999	17%	10%	16%	15%	12%	16%	15%
$100,000 to $124,999	8%	4%	6%	9%	5%	5%	6%
$125,000 to $149,999	3%	5%	5%	3%	2%	2%	3%
$150,000 to $199,999	2%	3%	3%	2%	2%	1%	2%
$200,000 or more	1%	3%	2%	3%	2%	2%	2%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: US Census 2000, Economic & Planning Systems *PUMS HH Income -- Summary*

Household income by employment sector is summarized in **Table 21,** using percentages of the Area Median Income (AMI). Approximately 56 percent of the city's households earn more than 80 percent of the AMI. Employment sectors that exceed the citywide average include Civic-Government, Industry, and Office. Those with concentrations in the lower income levels, specifically 0 to 40 percent and 41 to 60 percent, include Healthcare and Retail with 35 and 36 percent of the total, respectively.

Table 21
Projected Jobs by Employment Sector and AMI
Aurora Housing Needs and Strategies

Household Income	% of AMI	Civic-Gov.	Healthcare	Industrial	Office	Retail	Other	Total
Less than $22,500	**0 - 40%**	1,081	1,228	1,162	3,794	4,149	3,095	14,509
$22,501 to $34,999	**41 - 60%**	1,486	1,690	1,437	5,617	3,333	3,483	17,046
$35,000 to $47,500	**61 - 80%**	2,230	1,191	1,621	5,229	3,141	4,440	17,851
More than $47,501	**81% +**	8,855	4,143	6,630	19,536	9,727	13,320	62,210
	Total	**13,652**	**8,252**	**10,850**	**34,174**	**20,349**	**24,338**	**111,615**
Less than $22,500	**0 - 40%**	8%	15%	11%	11%	20%	13%	13%
$22,501 to $34,999	**41 - 60%**	11%	20%	13%	16%	16%	14%	15%
$35,000 to $47,500	**61 - 80%**	16%	14%	15%	15%	15%	18%	16%
More than $47,501	**81% +**	65%	50%	61%	57%	48%	55%	56%
	Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: US Census 2000, Economic & Planning Systems *PUMS HH Income - Sector by AMI*

PROJECTED HOUSING NEEDS

Tables 22 and 23 combine the employment projections with household income to estimate the number of housing units needed to facilitate job growth. In **Table 22,** DRCOG projections for new jobs by sector and subarea are represented as new households, based on the conversion of 1.37 employees per dwelling unit, which was the average for Aurora as of the 2000 census.

Table 22
Projected Households by AMI by Subarea
Aurora Housing Needs and Strategies

	0 - 40%	41 - 60%	61 - 80%	81% +	Total
Original					
Prod.	438	542	611	2,499	4,090
Retail	0	0	0	1	2
Serv.	827	1,191	1,172	4,407	7,596
Other	90	102	130	389	710
North Central					
Prod.	119	148	166	681	1,114
Retail	342	274	259	801	1,675
Serv.	255	367	361	1,358	2,340
Other	52	58	74	223	407
Northeast					
Prod.	503	622	702	2,872	4,699
Retail	260	209	196	608	1,273
Serv.	841	1,212	1,192	4,484	7,730
Other	96	108	138	415	758
South Central					
Prod.	52	64	73	298	487
Retail	228	183	173	535	1,119
Serv.	99	143	140	528	910
Other	17	19	24	72	131
South					
Prod.	0	0	0	0	1
Retail	14	11	10	32	66
Serv.	0	0	0	1	1
Other	9	10	13	40	72
East/Southeast					
Prod.	154	191	215	880	1,439
Retail	1,251	1,005	947	2,932	6,134
Serv.	290	418	411	1,548	2,668
Other	136	153	195	586	1,071

Source: Denver Council of Governments, Economic & Planning Systems

Industry Projections - Jobs by AMI by Sector

Table 23 summarizes the data, showing the numbers of households by subarea and income level. Based on analysis of the community's housing costs, presented in detail in Chapter VII, the market adequately addresses needs for households earning more than 60 percent of AMI. For the segment earning between 40 and 60 percent, rental opportunities are available, but not ownership. Neither ownership nor rental units are available for household earning less than 40 percent ($23, 700 annual household income). For the community to have the employees to fill the jobs at this level, it must activity participate in the creation of housing to serve this sector. Total hourly wages for this income level are approximately $11.40. Examples include a custodian at $11.42 per hour or housekeepers at approximately half this wage.

Using a conservative approach and assuming that all of the households in the 41 to 60 percent level can find market rate rental housing, there will be a need for approximately 6,100 units through 2020. Over this timeframe, there is an annual need for approximately 400 units per year. More significantly, 30 percent of the jobs will be located in the East/Southeast (1,831/6,073). Market forces are less likely to respond to this segment due to the low household income, increasing the need for community action.

Table 23
Summary of Future Housing Needs
Aurora Housing Needs and Strategies

	0 - 40%	41 - 60%	61 - 80%	80% +	Total
Original	1,355	1,835	1,912	7,295	12,398
North Central	767	847	860	3,061	5,536
Northeast	1,700	2,151	2,229	8,379	14,460
South Central	396	409	410	1,432	2,647
South	23	22	24	73	141
East/Southeast	1,831	1,767	1,769	5,945	11,312
Total	6,073	7,031	7,204	26,186	46,493
Percent	13%	15%	15%	56%	100%

Source: Denver Council of Governments, Economic & Planning Systems

Industry Projections - Jobs by AMI by Sector

One solution to address the employment needs described previously is commuting. Commute times are a direct reflection of the willingness of employees to face commuting challenges and costs. Low paid employees are typically not willing to pay the financial costs related to longer commutes if they can find similar paying jobs closer to their homes. If the wages are fixed, as is the case with many lower paying jobs in the metro area, employees will not pay higher percentage of their income to commute if alternatives exist.

Table 24 shows commuting time by job category for all Aurora households. For example, thirty percent of all primary income earners commute between 11 to 20 minutes each way. The significance of the data can be found comparing average commute times by job category to the citywide average. Industries that correlate with short commutes indicate a good balance of housing near the employment centers. The categories that exceed the average are those providing higher wage levels allowing employees to seek out and commute to higher paying jobs.

Civic-government, healthcare, and retail are sectors with relatively short commute times. For the shortest commuting time category, "Less than ten minutes," retail is eight percentage points higher than the average (22 percent compared to 14 percent). Conversely, office employees are willing to commute longer distances. The average for office workers in the highest three time categories is higher than the average for the community as a whole. The data suggest that retail and healthcare employees must rely on a housing supply located within short commuting distances. Without an adequate supply of units in close proximity, employers will be challenged to find the necessary employees to operate their businesses.

Table 24
Commuting Time by Employment Category
Aurora Housing Needs and Strategies

	Commuting Time In Minutes						
Employment Sector	**1 to 10**	**11 to 20**	**21 to 30**	**31 to 45**	**45 to 60**	**60 +**	**Total**
Civic-Gov.	2,507	3,736	2,929	2,146	381	736	12,435
Healthcare-Med.	1,069	2,188	1,835	1,008	244	232	6,576
Industrial	1,223	3,245	2,430	1,676	438	421	9,433
Office	3,117	9,298	8,585	5,391	1,725	2,016	30,132
Retail	3,750	5,506	4,353	2,060	639	670	16,978
Other	2,141	5,142	7,222	3,626	1,156	1,898	21,185
Total[1]	**13,807**	**29,115**	**27,354**	**15,907**	**4,583**	**5,973**	**96,739**
Civic-Gov.	20%	30%	24%	17%	3%	6%	100%
Healthcare-Med.	16%	33%	28%	15%	4%	4%	100%
Industrial	13%	34%	26%	18%	5%	4%	100%
Office	10%	31%	28%	18%	6%	7%	100%
Retail	22%	32%	26%	12%	4%	4%	100%
Other	10%	24%	34%	17%	5%	9%	100%
Total[1]	**14%**	**30%**	**28%**	**16%**	**5%**	**6%**	**100%**

[1] Totals show citywide commute times for Aurora residents.

PUMS HH Income - Commuting

Source: US Census 2000, Economic & Planning Systems

A cost burden analysis has been provided in **Table 25**, using the six employment categories and two measures of housing costs. A household is cost burdened if housing costs exceed 30 percent of gross household income. The initial analysis is based on monthly rent/mortgage payment; the second includes other housing related costs, such as utilities, insurance, and taxes. In both cases, households with primary employment in retail and healthcare experience higher degrees of cost burden. When all housing costs are accounted for, nearly one-third of both sectors is cost burdened, compared to approximately one-quarter for the civic-government and industrial sectors.

Table 25
Cost Burdened Households by Employment Sector
Aurora Housing Needs and Strategies

Employment Sector	Total Households	Rent or Mortage > 30% [1]		All Housing Costs > 30% [2]	
		Number	Percent	Number	Percent
Civic-Gov.	13,561	1,672	12%	3,401	25%
Healthcare-Med.	8,234	1,579	19%	2,655	32%
Industrial	10,850	1,624	15%	2,866	26%
Office	34,105	5,355	16%	9,402	28%
Retail	20,241	4,224	21%	6,666	33%
Other	24,241	3,827	16%	6,824	28%
Total	111,232	18,281	16%	31,814	29%

[1] Households paying over 30% of their income towards rent or mortgage
[2] Households paying over 30% of income towards rent, mortagage, utilities, insurance, etc.
Source: US Census 2000, Economic & Planning Systems *PUMS HH Income - Cost Burden*

VI. EXISTING HOUSING SERVICES

This chapter describes existing affordable housing providers and services in Aurora. The providers include non-profit organizations, public sector agencies, and private sector developers.

NON-PROFIT PROVIDERS

- **ACCESS Housing -** ACCESS operates a 6-unit transitional housing property for homeless and at risk families in Aurora. The property is operated in partnership with the Colorado Housing and Finance Authority (CHFA). The property provides housing for approximately ten families a year. Families are required to stay a minimum of six months and must leave after two years. During this transitional period, families are given access to social programs aimed to reduce their risk for financial hardship. According to the staff, demand has spiked over the past two years, with a significant increase in two-parent families.

- **Aurora Interchurch Task Force** - The Aurora Interchurch Task Force, consisting of 32 member churches, began in the late 1960's as an association of church members seeking to provide food and clothing to needy families. The group has expanded over time and in 2003, provided $74,000 in utility assistance and $41,000 in rental assistance. The task force typically provides up to $200 in rental assistance to 30 families per month. Families are limited to a single grant per year. The funds are provided on a first-come, first-served basis for those who qualify and are often expended within the first few days of each month. Demand usually exceeds supply by 4 to1, and can be higher in certain months. Food and clothing continue to be the major focus of the task force. In 2003, the group assisted 15,000 people with donated goods valued at approximately $477,000.

- **Aurora Mental Health Center** - The Center provides 23 beds of transitional housing, 8 beds in a developmentally disabled group home, 15 beds in a hospital step-down setting, and 117 beds of permanent housing in dispersed locations, some of which are provided through Section 8 certificates. Over the past five years, the inventory has fluctuated with a net increase of approximately 12 beds. The director of intensive services indicated that the Center could expand by 20 percent and easily find clients for the new beds. Because of intensive staffing requirements and costs, expansion is not realistic. In addition to mental illness, 85 percent of clients have a dual diagnosis, often related to drug and alcohol use.

- **Colfax Community Network** - The Network provides assistance to residents living in Colfax motels, including rental assistance, medical services, summer camp for children, self defense training, after school programs. The Network serves families that live in the motels as well as the trailer parks in the area. The Network also helps families move into permanent housing, with the assistance of other organizations, like churches, that provide security and utility deposits and household goods. The Network believes that transitional housing other than the motels would be in the best interests of the community and the residents.

- **Colorado Coalition for the Homeless** – The CCH manages a portion of the units at the Forrest Manor rental complex located at 1400 Moline Street. There are 8 to 20 transitional housing units at any given time. A portion of the other 92 units in the building are provided as permanent housing for those who qualify. Residents in the transitional housing program can stay in these units for up to 24 months. Currently, Colorado Coalition property management has struggled to find the appropriate tenants for both the transitional units and the permanently subsidized units. The high turnover is due to resident concerns about safety and drug trafficking in the area.

- **Comitis Crisis Center** – The center provides transitional housing and has 12 beds for teenagers and 10 beds for families or single adults. A typical stay for the teenage population ranges from two weeks to three months. Families can stay from three to five months. Demand for the teenage beds does not exceed the supply; however, demand for the family beds runs in cycles and exceeds demand in some cases, particularly with large families. The center has also seen a surge in demand from single parent fathers. Currently many shelters in the metro region only cater to single mothers. In addition to the shelter, Comitis provides a 24-hour crisis help line, which received 12,000 calls in 2003, and a food basket program. The assistant director noted that the City's Home of Our Own has been particularly helpful to the clients that use Comitis.

- **Gateway Battered Women's Shelter** - The shelter has 38 beds and provides emergency housing for victims of domestic violence and their children. It provides emergency housing for approximately 9,600 persons annually. It is located in the City of Aurora and serves households in Aurora and Arapahoe County. Staff from the shelter estimate a need for a total of 70 to 100 beds. The shelter is a member of a larger statewide network, which work together to serve victims of domestic abuse. Demand for its social programs, such as counseling, court advocacy, and lifestyle classes exceed the available space. A current need is for translators who speak Korean, Vietnamese, Russian, and African languages such as Swahili. Staff also report a significant need for transitional housing for individuals and families that have stayed over 30 days at the shelter. The lack of transitional and permanent affordable housing is a concern, as alternative housing situations for women seeking shelter are limited.

- **Habitat for Humanity** - Habitat builds houses for low income families and has been active in Aurora since 1990, building 18 homes in seven locations. Twelve of the homes are located in the 1200 and 1300 blocks of Akron and were built in 1997 and 1999. The toughest challenges for Habitat are land cost and time requirements related to the zoning and permitting process. On average, metro-Denver communities contribute approximately $10,000 per unit, which can be matched by the county or state. This goal has not been met in Aurora, and has resulted in a proportionately smaller number of Habitat homes in the community.

- **Metro Community Provider Network** - The Metro Community Provider Network provides healthcare to Aurora residents who have no other access to healthcare. The service area covers the balance of Arapahoe County and all of Jefferson County with six of the 15 clinics located in Aurora. Well child care, immunizations, obstetrics, gynecology, and disease management are among the most often-requested services. Although it does not provide housing as part of its mission, its fees for healthcare services bring it in contact with many lower income households that also have affordable housing needs.

- **Sabin Group** - The Group administers a 15-bed treatment program for adults with severe mental illness and/or substance abuse problems. The facility requires residents to attend school or have day-time employment. Due to funding constraints and the high staff to resident ratio, they have difficulty maintaining a full staff and keeping pace with demand. The staff report a large demand for their services and the residential beds. They believe their out-patient mental health programs and substance abuse counseling are central to preventing homelessness. They also mirror other provider comments regarding the need for transitional housing for clients who can move past the intensive in-house residential program, but are not ready for conventional housing.

PUBLIC SECTOR PROGRAMS

CITY OF AURORA

The City of Aurora's Neighborhood Services Department and Community Development Division provide housing assistance to eligible residents. The departments have prepared an Action Plan for 2004 as part of the City's Five Year Consolidated Plan which provides an overview of housing and community development needs and programs. For 2004, the City will allocate $3,447,278 in the Community Development Block Grant (CDBG) funds and $2,130,114 in the Home Investment Partnership Program (HOME) to fund its programs. A summary of the funding is summarized in **Table 26,** with descriptions of the programs provided below.

Table 26
Summary of City of Aurora Expenditures
Aurora Housing Needs and Strategies

Program	Funding
Community Development Block Grant Program (CDBG)	
Administration	
Code Enforcement	$331,000
Community Development Block Grant Administration	$433,994
Original Aurora Renewal Administration	$207,750
Community Development Rehab Administration	$344,442
Residential Programs	
SF Emergency Repairs	$70,000
Multi-Family Rehab Program	$220,000
Home Ownership Assistance Program Administration	$249,855
Home of Our Own Outreach	$13,125
Commercial Programs	$1,577,112
Total	**$3,447,278**
Home Investment Partnership Program (HOME)	
Home Ownership Assistance Loans	$708,600
HOME CHDO	$205,727
HOME Administration	$137,151
Single Family Rehabilitation Program	$1,008,636
Home of Our Own	$70,000
Total	**$2,130,114**
Emergency Shelter Grant Program (ESG)	
Emergency Shelter Grant Program	$104,000
Total	**$104,000**

Source: City of Aurora Department of Community Development *Program List - Budget*

Housing Rehabilitation

The city addresses the dual goals of improving housing quality and maintaining affordability with the following rehabilitation programs:

- **Single Family Rehabilitation Loan Program** – This program provides low interest loans to income-qualified homeowners (less than 80 percent of AMI) for the purpose of rehabilitation. Loans are issued at a rate of 5 percent; interest accrues for a period of 5 years, after which the loan amount remains constant. Repayment is typically deferred until time of sale or transfer of title.

- **Multi-Family Rehabilitation Loan Program** – This program provides low interest loans to eligible multi-family property owners for rehabilitation. Currently the loan amount can be 100 percent of the total project cost; the maximum loan amount is $100,000. The conditions of the loan program are subject to change. The property must provide 51 percent of their units to low or moderate-income tenants for the life of the loan.

- **Emergency Repair Grant** – Financial assistance given to owner-occupied, low-income residents to alleviate situations which threaten immediate health and safety, with a cap of $3,000 per allocation for plumbing, electrical and furnace needs. A $5,000 cap is reserved for repairing sewer related problems. In the event that repairs are in excess of their maximum grant amount, a low interest loan similar to the Single Family Rehabilitation Loan can be acquired.

- **Limited Exterior Repair Program** – This is a loan program for exterior repairs which exceed rehabilitation standards.

- **Hazardous Tree Removal Grant** – A program to assist homeowners in the removal of hazardous or dead tress from their property.

Entry Level Homeownership

To address the growing gap between incomes and housing costs, the City of Aurora created the Home Ownership Assistance Program (HOAP) to assist first-time homebuyers with down payment and closing costs. The HOME funds used for HOAP are augmented with dollars from the City's General Fund. These HOME Match requirements are estimated to be $308,600 in 2004. HOAP offers the following services to first-time home buyers:

- **Pre-Purchase Counseling** – Counsel first-time low to moderate-income home buyers through the mortgage process.

- **Foreclosure Prevention Counseling** – Help homeowners understand the foreclosure process and assist homeowners in trying to save their home from foreclosure.

- **Pre-Foreclosure Sale Counseling** – Assist home owners facing foreclosure by allowing them to sell their property at a fair market value.

- **Educational Seminars** – On-going seminars designed to educate first-time homeowners through the process of purchasing a home.

- **Financial Assistance** – Qualified first-time, low and moderate-income home buyers can receive up to $10,000 in the form of a deferred, low-interest loan to help pay the down payment and closing costs.

Funding for these programs is partially based on a recapture of previously allocated HOME funds. For funds used on the Home Ownership Assistance Program, to provide down-payment and closing costs, a portion will be recaptured through loan repayment by the borrowers on the entire amount of the HOME investment though sale or conveyance of the property that previously received the HOME investment. The HOME investment that is subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to purchase the dwelling unit.

Home of Our Own

This program provides one-time housing assistance to help families living in motels or on the streets move to permanent rental housing. The Home of Our Own program receives $70,000 as an allocation of the City's HOME Funds. With those funds, the program assists households by paying 75 percent of the first month's rent and all of the deposit. In some cases, the program also covers deposits for utilities. Participation in the program has more than doubled over the past four years, growing from approximately 12 families in 1999 to 31 in 2003. The expanded service reflects a funding increase by the City and its partners, specifically Aurora Mental Health. Families are responsible for finding the home and paying all on-going expenses, once established. The program requires that the housing be located in the City of Aurora and staff estimate that 75 percent of participants locate between Exposition Avenue and 26th Avenue.

AURORA HOUSING AUTHORITY AND CORPORATION

Recent AHA efforts are summarized below. The AHA has provided a range of development types, including new construction, acquisition and rehabilitation, and upgrading of existing housing stock.

- **Willow Park** - AHA acquired this 68-unit property located at 14001 E. Colorado Drive in December of 2002 and renovated it to 68 units within 12 months. The multiple layer financing includes $4.2 million shared risk loan (Colorado Housing and Finance Authority and HUD); a one-percent loan from CHFA for $300,000; tax credit equity of $1.8 million; and $200,000 of AHA equity (to be returned as a developer fee). AHA staff estimate that the average household income for residents is $4,300, which is approximately 90 percent less than the average of $41,000 for the census tract. The AHA spent an average of $26,000 per unit for rehabilitation. The effort has preserved a

Section 8 property and provides very affordable units in the southern portion of the community.

- **Residences at 6th Avenue** - AHA developed a 68 unit tax credit project at 6th and Potomac. The tax credit project was funded primarily with four percent tax credit equity and private activity bonds. Nearly 20 percent of the units are market rate and the balance are restricted to households earning less than 60 percent of AMI. The project has been well received by the community, primarily due to the high quality architectural treatment, including stucco siding with stone accents. There is little rent differential between market rate and restricted units, as all have been dropped to reflect soft rental market conditions.

- **St. Croix Apartments** - AHA renovated the 29-unit, 40 year old St. Croix Apartments located at 1642 Alton Street in 2003 and 2004. AHA partnered with the City Community Development Division for the interior renovation and plans to partner with other organizations in the near future for additional improvements.

PRIVATE SECTOR DEVELOPMENT

The most significant affordable housing effort by the private sector is the Florence Square project, located in Original Aurora at Emporia and 16th Street, one block north of Colfax. As one of the first new residential projects in the area in 30 years, it is a highly desired investment of capital. The development is one of several new projects in the area including a new library, the new City services building, and the Fitzsimons redevelopment.

The Florence Square development will include more than 200 residential units and about 18,000 square feet of retail and office space. Construction is underway with the first units expected to be available in the fall of 2004. Approximately 124 units are funded through tax credits and will be restricted to household earning between 40 to 60 percent of AMI. In Phase One, 27 units are reserved for individuals earning 40 percent of AMI, 75 units are for those earning 50 percent of AMI and 8 units for those earning 60 percent of AMI. Phase Two will produce 71 additional units that will be targeted towards those making 50 to 60 percent of AMI.

The AHA is a limited partner on this project, providing its tax exempt status to facilitate the financing structure. Because the project is within a city-approved tax increment financing (TIF) district, future property taxes would have been redirected to the TIF. The tax exempt status enabled the developer to clear initial TIF funding requirements related to first year operations, reducing project debt and interest. The Housing Authority also provided a low interest bridge loan.

VII. HOUSING SUPPLY

This chapter provides a detailed description of Aurora's housing stock and conditions. The housing in the six subareas are evaluated with respect to age, the composition (attached or detached), quality, and cost, with emphasis provided on recently constructed housing and planned developments to identify the trends for Aurora's future.

HOUSING INVENTORY

UNIT TYPE

Based on 2000 census data, Aurora has a total of 109,074 housing units, with an even split between attached and detached units. This differs by ten percentage points from the Denver Consolidated Metropolitan Statistical Area (CMSA) split of 60 percent single family and 40 attached units shown in **Table 27**. Detached housing includes all single family homes. Attached housing includes structures with two or more units.

Table 27
Denver-Boulder-Greeley CMSA - Units in Structures
Aurora Housing Needs and Strategies

Units in Structure	Denver-Boulder-Greeley CMSA		City of Aurora	
	Number	Percent	Number	Percent
Detached Housing	626,346	60%	54,271	50%
Attached Housing	416,433	40%	54,803	50%
Total	**1,042,779**	**100%**	**109,074**	**100%**

Source: Economic & Planning Systems, US Census

CMSA - CMSA Units II

Aurora's housing stock is challenging to evaluate because of the variation among the subareas. For example, the East-Southeast and South subareas are low density, with more than 80 percent of the stock built as single family homes, compared to the Original and North Central subareas which have approximately 50 to 55 percent multi-family units. **Table 28** and **Figures 14 and 15** show the composition for each subarea as well as the age of the inventory.

Table 28
Unit Type and Age
Aurora Housing Needs and Strategies

	Original	Northeast	North Cen.	South Cen.	South	East/SE	Total
Unit Composition							
Single Family	52%	55%	33%	51%	62%	85%	52%
More than one unit	48%	45%	67%	49%	38%	15%	48%
Total	100%	100%	100%	100%	100%	100%	100%
Age of Rental Stock							
1990 or newer	1%	8%	11%	17%	19%	23%	11%
1980 to 1989	9%	22%	44%	44%	51%	46%	34%
1970 to 1979	27%	43%	34%	32%	27%	22%	32%
1960 to 1969	29%	17%	8%	5%	3%	3%	13%
Pre 1960	34%	9%	2%	2%	1%	6%	10%
Total	100%	100%	100%	100%	100%	100%	100%
Age of Owner Stock							
1990 or newer	2%	14%	5%	12%	22%	60%	17%
1980 to 1989	2%	23%	34%	31%	50%	30%	32%
1970 to 1979	7%	31%	31%	53%	26%	8%	33%
1960 to 1969	12%	19%	25%	3%	1%	1%	8%
Pre 1960	78%	12%	5%	1%	1%	0%	10%
Total	100%	100%	100%	100%	100%	100%	100%

Source: 2000 US Census, Economic & Planning Systems *Summary Tables - Units*

Figure 14
Composition of Attached and Detached Housing by Subarea
Aurora Housing Needs and Strategies

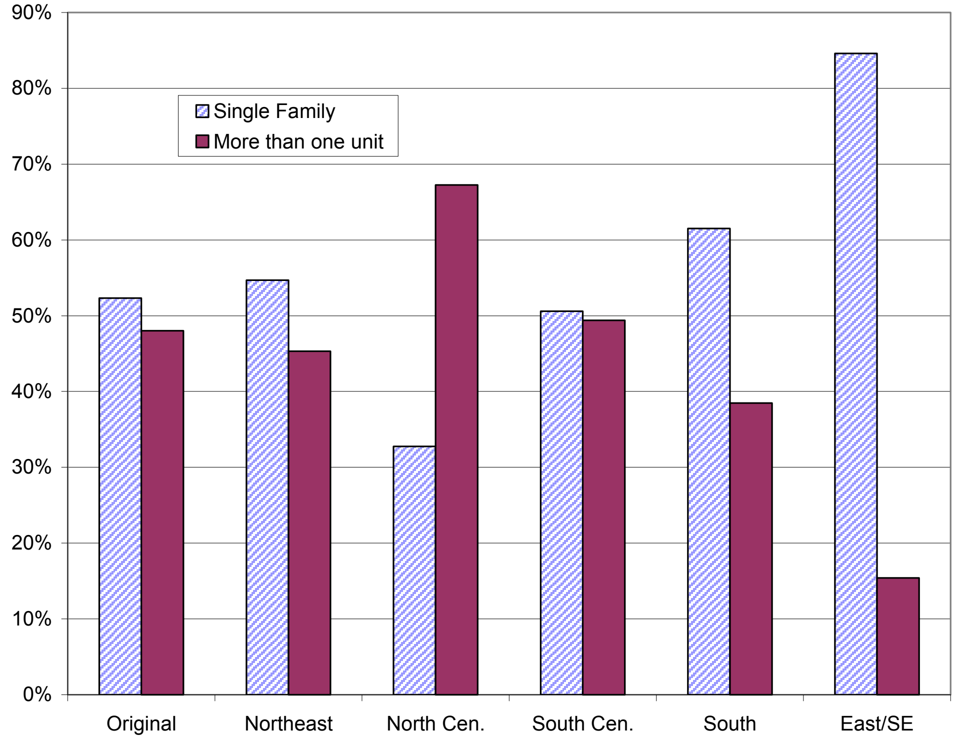
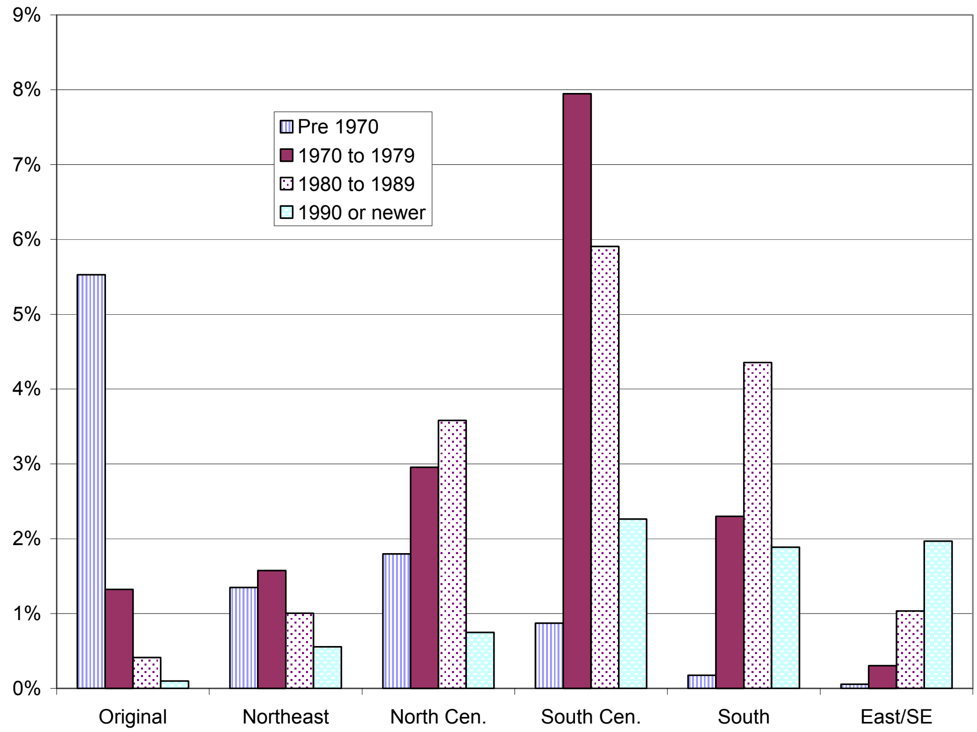


Figure 15
Age of Housing Inventory by Subarea
Aurora Housing Needs and Strategies



QUALITY

Housing quality is a key concern as the rents and sales prices associated with affordable housing may merely reflect poor quality. The City of Aurora has instituted a comprehensive housing quality inspection program that has grown since its inception in 1987. At the start, the city focused its inspections in the north but has recently expanded the program to cover all rental units with eight or more units. The program is a combination of systematic inspections and complaint-based enforcement.

Through November of 2003, the city had inspected approximately 6,500 units for the year, of which approximately 70 to 80 percent were cited with violations. Typical violations include broken windows, missing screens, inoperable smoke detectors, insecure carpet on steps, graffiti on wall, or poor landscaping around parking lot and buildings.

Most were brought into compliance within 30 to 60 days and passed the city's reinspection. The city aims for 100 percent compliance. In a few cases, the city has become involved in protracted enforcement efforts but staff report they are ultimately effective with enforcement efforts. In cases where the city has taken property owners to court, the city has asked the judge to mandate a city-operated management class to the owner, which addresses issues such as working with the police, crime prevention, tenant screening, and city expectations.

The conditions today differ dramatically from the early 1990's at the onset of the program. Previously, the city cited property owners for more severe violations, such as no heat, prevalent cockroaches, broken pipes, uncovered electrical wires, or open plumbing problems. Inspectors today seldom find this degree of problems. Staff estimate approximately 10 to 15 violations of this type annually. The properties with the poorest conditions are inspected every 12 to 24 months, compared to a five- to seven-year rotation for average to well-maintained developments.

The city staff that log complaints report that housing violations did not make the top five categories for 2003. The staff logged 136 complaints for interior housing violations, and 19 for exterior housing issues (balconies, stairwells, etc.). Some of these violations overlap and apply to the same property. Staff believe that the complaint-based system augments the systematic inspections and allows for specific violations to be reported between routine inspections. Because tenants have a disincentive to report violations due to escalating conflicts with landlords, the systematic process is critical to maintain the housing quality.

HOUSING COSTS

Aurora's housing costs vary dramatically depending on the location. As can be documented in the gap analysis, Aurora has a full range of housing options available for its households, when data is aggregated citywide. These aggregations, however, have the potential to mask the concentrations of upper- or lower-priced housing in specific subareas.

FOR-SALE HOUSING

Based on more than 7,300 sales records (from 2002 and the first two quarters of 2003) the average price of a property was $134,400 for a condominium/townhome and $199,800 for a single family home. These averages are based on an adjusted 2002 price that has been increased (or decreased) by the percentage change for the two years for each subarea, as shown below in **Table 29.**

The most notable trend is the flat or decreasing home prices for the period. Real estate prices dropped 2.1 percent for condominium/townhomes and 0.2 percent for single family homes, citywide, between 2002 and 2003. The current softening conditions, matched with historically low interest rates, however, are unlikely to be sustained in the future. Thus, the current conditions may be the most "affordable" the community will see in the foreseeable future.

Table 29
Real Estate Values by Subarea
Aurora Housing Needs and Strategies

Subarea	Single-Family			Condo-Townhome		
	Average	Minimum	Maximum	Average	Minimum	Maximum
Original	$158,003	$60,317	$329,900	$88,548	$42,350	$151,000
Northeast	$174,396	$111,185	$262,801	$119,741	$56,600	$192,000
North Central	$180,714	$116,000	$287,620	$114,552	$32,000	$249,174
South Central	$206,139	$91,900	$414,299	$141,136	$39,000	$276,200
South	$209,569	$112,905	$795,470	$137,035	$52,250	$418,197
East/Southeast	$244,765	$126,030	$1,289,558	$128,173	$79,277	$169,734
City-wide	$199,853	$60,317	$1,289,558	$134,431	$32,000	$418,197

Source: The Genesis Group, Economic & Planning Systems MLS III Ave Min Max

The maximum and minimum sales prices, provided in **Table 29**, show a low of $42,000 and a high of $1.3 million. Clearly, Aurora's diversity in options and prices cannot be overstated. Housing affordable to households earning less than 60 percent of AMI priced under $91,000 account for 4 percent of all sales. Of the 291 sales, three were single family homes. The average age of these condominium/townhouse units was 25 years and 55 years for the single family. The analysis shows that location drives prices and that "averages" for the community mask the variation seen in specific neighborhoods.

The sales records were sorted by year of construction and subarea to show how sales activity reflects age. **Table 30** shows that over half of all sales (52 percent) were homes built between 1975 and 1984, which is consistent with population growth for the community. The South Central subarea continues to reflect the greatest level of activity, with 35 percent of all sales in the community, most of which were built in late 1970's and early 1980's.

The South and East-Southeast areas have an emerging upper end. The maximum sales of $450,000 and $1.3 million, respectively, reflects the wealth of the southeast Denver metro area. Elected officials and staff noted that Aurora's upper end is relatively new, with most of these homes constructed in the past four years. Conversely, the age of housing in Original Aurora reflects its lower housing costs. More than three-quarters of sales in Original Aurora were homes built from 1945 to 1954.

Table 30
Year of Construction in 2002 and 2003 Sales
Aurora Housing Needs and Strategies

	Original	Northeast	North Cen.	South Cen.	South	East/SE	Total	Percent
Prior to 1924	21	--	--	2	--	--	23	**0%**
1925-34	14	--	1	2	--	--	17	**0%**
1935-44	12	--	2	1	--	--	15	**0%**
1945-54	503	22	105	4	--	3	637	**9%**
1955-64	81	104	157	20	1	1	364	**5%**
1965-74	11	68	257	603	120	26	1085	**15%**
1975-84	9	142	377	1478	1362	449	3817	**52%**
1985-94	--	37	21	253	235	80	626	**9%**
Since 1995	7	46	41	224	151	249	718	**10%**
Total	**658**	**419**	**961**	**2587**	**1869**	**808**	**7302**	**100%**
	9%	**6%**	**13%**	**35%**	**26%**	**11%**	**100%**	

Source: The Genesis Group, Economic & Planning Systems MLS III - PV YOC

A complete list of sales is provided in **Appendix Table A-2** and is shown by $25,000 sales price increments from $0 through $1,000,000. The distribution is helpful as it illuminates the range of sales activity by subarea and shows the diversity found in the community.

NEW DEVELOPMENT

New homes have been evaluated to estimate market direction. There were 76 multi-family homes and 250 single family homes built since 1999 sold through the Multiple Listing Service (MLS) during this period. It should be noted that most production builders rely on on-site sales centers and do not list new construction in the MLS. Thus, the number of units evaluated is a fraction of the total of newly constructed units. The data are sufficient to provide a point of comparison between prices of new homes and average prices for all homes.

The new home housing market shows that 80 percent of multi-family and 92 percent of single family sales were located in the South Central, South, and East-Southeast areas. The average sales prices for these multi-family and single family homes are 45 to 50 percent higher, respectively, than citywide averages.

Table 31
New Home Sales Activity by Subarea
Aurora Housing Needs and Strategies

	Original	North Cen.	Northeast	South Cen.	South	East/SE	Total
Condo-Townhome							
Number	0	5	10	50	5	6	76
Average Price	--	$204,300	$160,695	$190,931	$196,580	$147,317	$184,761
Max. Price	--	$255,000	$192,000	$251,000	$240,000	$155,500	$255,000
Min. Price	--	$123,000	$123,600	$120,800	$119,000	$139,000	$119,000
Single Family							
Number	2	7	12	62	19	148	250
Average Price	$198,375	$226,096	$183,262	$230,176	$314,661	$342,880	$300,697
Max. Price	$234,000	$280,000	$223,450	$313,000	$590,000	$1,289,558	$1,289,558
Min. Price	$162,750	$195,000	$140,546	$158,500	$209,000	$180,000	$140,546

Source: The Genesis Group, Economic & Planning Systems *MLS Sales III YOC 1999 PV*

RENTAL HOUSING

Rental housing data is provided in the following four tables and covers vacancies, rental rates, and unit availability by income level. The vacancy rates for the past four years are shown in **Table 32** and show a steady increase in proportion to the softening of the national and regional economy. In early 2000, the vacancy rates for the subareas shown below (as classified by the Apartment Vacancy and Rent Study) were below five percent. When vacancies are five percent, apartment developments are considered to be fully occupied with available units reflecting a standard level of tenant turnover. Vacancy rates below this level indicate a lack of supply, which was the case in 2000 and the first half of 2001, prior to 9/11. A map of the subareas is provided in **Figure 16,** following the table.

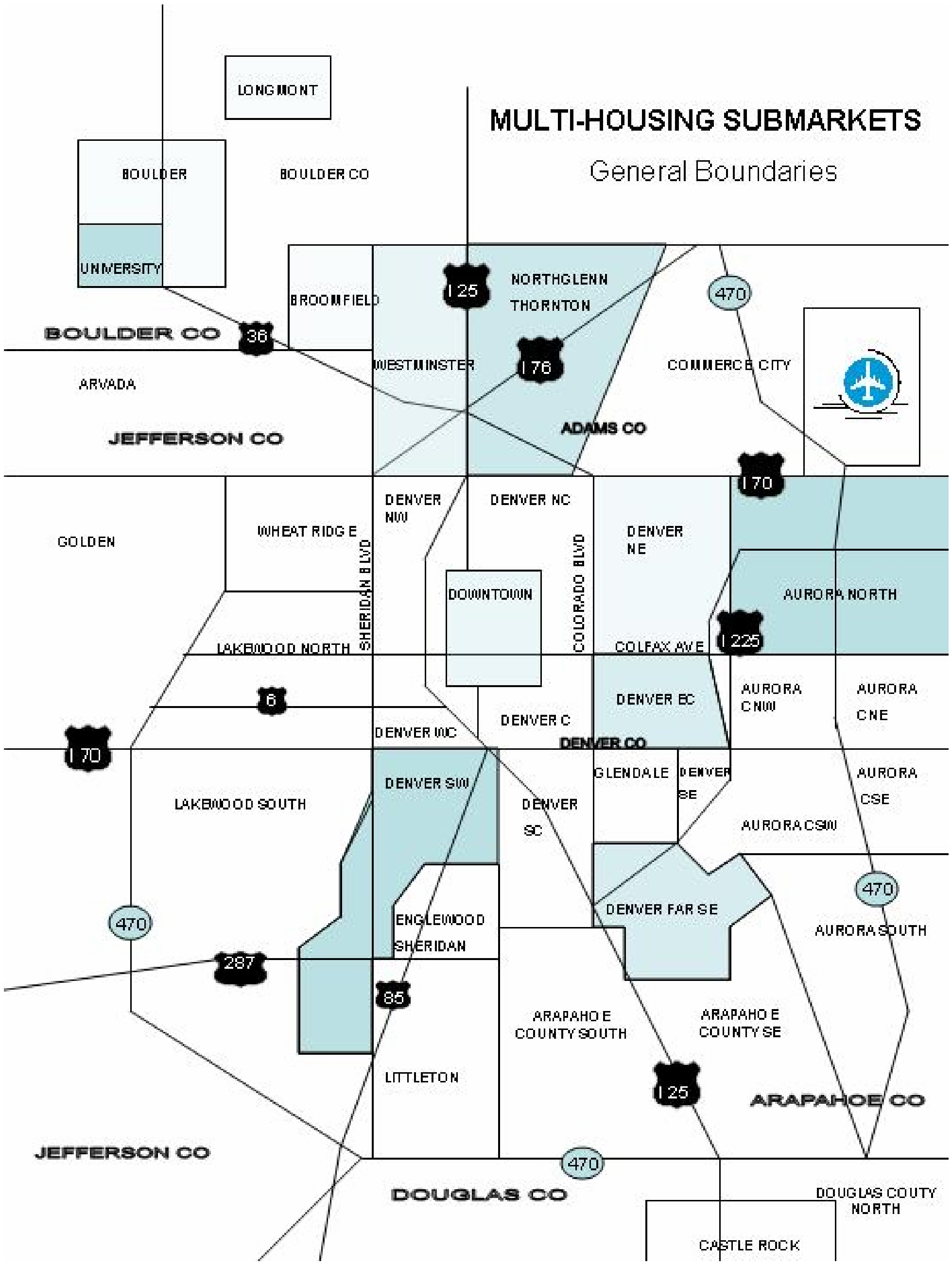
Table 32
Vacancy Rates by Market Area
Aurora Housing Needs and Strategy

	2000				2001				2002				2003			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Aurora-Central NE	3.1%	3.6%	2.9%	3.1%	1.7%	2.0%	12.1%	15.7%	8.6%	8.4%	8.1%	15.2%	17.2%	14.4%	15.5%	16.7%
Aurora-Central NW	3.0%	5.2%	5.6%	5.2%	4.8%	5.3%	3.8%	6.3%	6.9%	8.9%	8.8%	11.8%	11.8%	8.8%	9.6%	8.9%
Aurora-Central SE	3.3%	3.2%	3.4%	3.5%	3.5%	4.3%	4.7%	6.0%	8.3%	14.6%	15.5%	15.0%	9.6%	10.9%	9.8%	11.8%
Aurora-Central SW	2.6%	5.1%	3.7%	3.6%	3.6%	4.9%	6.3%	6.8%	7.3%	7.7%	8.0%	8.3%	9.0%	10.4%	7.7%	11.5%
Aurora-South	3.6%	4.3%	4.6%	6.8%	6.8%	6.2%	10.6%	11.4%	11.1%	11.9%	11.0%	12.4%	19.0%	15.3%	12.1%	11.3%

Source: Apartment Vacancy and Rent Study, Economic & Planning Systems

Von Stroh Vancancy Data 2003 - Vacancy Rates by Market Area

Figure 16
Rental Housing Submarket Boundaries
Aurora Housing Needs and Strategy



Four of the five subareas reached double digit vacancy levels in the past two years. For most, the highest vacancies have been the last quarter of 2002 and the first of 2003. The rental market in the northeast and southern areas, with rates at 17.2 percent and 19.0 percent respectively, has been particularly soft. Since these peaks, the market has strengthened, with vacancy rates falling to 16.7 and 11.3 percent, respectively. The trends, however, are not consistent and the quarterly data points show a fair level of volatility.

The data provide good benchmarks for future comparisons. It is likely that the rental conditions will never be more reasonable or affordable than the current conditions. Although rents may not escalate at the rates seen at the beginning of the decade, they are likely to increase with falling vacancy rates, putting pressure on affordability.

Rental rates, shown in **Table 33,** correlate to the vacancy rates. The peak of the market was the third quarter of 2001 with rents dropping in the fourth quarter as demand contracted in light of post 9/11 conditions. It is significant that the two northern areas have seen increases of 10 to 15 percent during this time period, while other areas have been relatively flat or decreased. As described previously, the northern Aurora submarket has experienced a significant increase in population, with few new housing units. This relationship between supply and demand has resulted in rents increasing more quickly than other areas in the community.

Table 33
Historic Rents
Aurora Housing Needs and Strategy

	2000				2001				2002				2003				Change
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th	
Aurora-Central NE	$596	$655	$579	$613	$596	$655	$755	$718	$694	$646	$638	$695	$663	$721	$726	$707	15%
Aurora-Central NW	$673	$703	$640	$643	$673	$703	$704	$704	$689	$688	$668	$705	$692	$632	$749	$708	10%
Aurora-Central SE	$692	$719	$675	$691	$692	$719	$733	$720	$714	$726	$743	$743	$696	$660	$713	$657	-5%
Aurora-Central SW	$703	$727	$693	$706	$703	$727	$738	$745	$715	$710	$690	$722	$728	$687	$738	$732	4%
Aurora-South	$804	$829	$780	$794	$804	$829	$839	$787	$818	$813	$777	$803	$813	$821	$829	$816	3%

Source: Apartment Vacancy and Rent Study, Economic & Planning Sys. *Von Stroh Rental Data - Summary*

The current rents by unit type are provided in **Table 34.** Rents are highest in the South and lowest in the Central South-East. Rents vary by approximately 20 percent by area, which is less than the differences found in ownership housing. This is likely due to two factors which include the limited supply in the northern areas and the surplus of higher end units in the southern areas.

Table 34
Average Rents, Forth Quarter 2003
Aurora Housing Needs and Strategy

	Bedroom/Bathroom					
	Eff.	**1**	**2/1**	**2/2**	**3**	**Others**
Aurora-Central NE	---	$622	$739	$868	$940	$1,013
Aurora-Central NW	$611	$636	$728	$769	$912	$588
Aurora-Central SE	$462	$584	$734	$711	$882	$950
Aurora-Central SW	$464	$643	$745	$823	$826	$688
Aurora-South	$554	$713	$923	$876	$999	$1,300

Source: Apartment Vacancy and Rent Study, Economic & Planning Sys. *Von Stroh Vancancy Data 2003 - Ave Rents*

Table 35 tabulates the number of units by rent level by subarea. To align the rental data with the boundaries of the subareas, the South and Southeast areas have been combined and a portion of northeast Denver has been combined with Original Aurora. The most significant finding is that 63 percent of the rental inventory is priced between $501 and $800 per month. The next tier, $801 to $1,075, accounts for a approximately 28 percent of the inventory. Over the past year, first quarter through fourth quarter 2003, rents have shifted upward, reflecting the stronger market. The mid-range rents, $501 to $800, have decreased by four percentage points while the next level up, $801 to $1,075, has increased by the same percentage. A strengthening economy increases the need to establish permanently affordable housing.

Table 35
Summary of Rents, Forth Quarter 2003
Aurora Housing Needs and Strategies

Rent Range	Original [1]	Northeast Aurora	North Central	South Central	South / Southeast	Total
$0 - $500	22%	14%	4%	3%	4%	6%
$501 - $800	52%	65%	73%	70%	60%	63%
$801 - $1,075	26%	21%	23%	26%	30%	28%
$1,076 - $1,325	0%	0%	0%	1%	5%	3%
More than $1,325	0%	0%	0%	0%	1%	0%

[1] Includes a portion of Denver Northeast *Von Stroh Vacancy Data 2003 - 4th Q Summary of Rents*

Source: Apartment Vacancy and Rent Study, Economic & Planning Systems

FUTURE DEVELOPMENT

Developers with active ownership projects were interviewed to evaluate future conditions. The City of Aurora provided the locations for the 2,100 permits issued from May to November 2003 and major project characteristics are summarized in **Table 36.** Each reflects a broad spectrum of units, given that every major development includes high- and low-end products. The most frequently purchased homes range from $215,000 to $350,000, with a heavy concentration around $300,000, which is consistent with the findings from the MLS analysis regarding new home construction. The north continues to offer the best value. For central and southern areas, the upper end appears unlimited with custom homes exceeding $1.0 million.

Table 36
Development Trends
Aurora Housing Needs and Strategies

Development	Units Represented	Price Points Low	Price Points High	Price Points Most Frequent	Typical Size (SF)
Singletree at DIA	323	$200,000	$230,000	$215,000	1,871
Conservatory	111	$250,000	$300,000	$290,000	2,087
Murphy Creek	--	$253,000	$343,900	$300,000	2,286
Sterling Hills	56	$253,000	$343,900	$300,000	2,287
Heritage Eagle Bend	1,301	$210,000	$560,000	$350,000	2,100
Tallyn's Reach North [1]	1,000	$275,000	$500,000	$320,000	2,789
Tallyn's Reach [2]	2,600	$275,000	$1,000,000	$320,000	--
Total	**5,391**				

Source: Developer interviews, Economic & Planning Systems *SUBDIV-Price Points*
[1] Offers custom homes; high point represents end of mass produced high-end homes
[2] Offers custom homes; prices vary from $500's to over $1 million

VIII. HOUSING AFFORDABILITY

This chapter addresses housing affordability by comparing household income to housing costs. One of the key methods used to assess affordability is the Area Median Income (AMI) standards provided annually from HUD. The chapter explores how Aurora's AMI compares to subarea incomes and citywide averages. Finally, the chapter concludes with an estimate of gaps between the cost of housing and the household income available to pay for housing.

HOUSEHOLD INCOME

INCOME DISTRIBUTION

Household income by subarea is provided in **Table 37** below and is further delineated by AMI in **Tables 38, 39, and 40**. The income figures have been adjusted to 2003 levels to enable an accurate comparison to the 2003 real estate prices evaluated previously. The number of households and the income distribution for each subarea reflect the changes estimated for each subarea. The own/rent breakdown is based on Census data, as that is the most recent data available.

Table 37
Household Income by Own/Rent, 2003
Aurora Housing Needs and Strategies

	Original	Northeast	North Central	South Central	South	East/ Southeast	Total
Total	**16,070**	**11,799**	**20,625**	**37,686**	**21,582**	**18,776**	**126,538**
Owner occupied	**7,066**	**8,128**	**9,950**	**26,449**	**17,750**	**18,003**	**87,346**
Less than $15,000	565	629	543	1,035	454	394	**3,620**
$15,000 - $24,999	857	793	734	1,485	771	448	**5,088**
$25,000 - $34,999	1,270	1,182	1,418	2,827	1,512	769	**8,979**
$35,000 - $49,999	1,817	1,578	2,090	4,687	2,970	1,930	**15,072**
$50,000 - $74,999	1,586	2,417	2,752	7,477	4,794	4,657	**23,684**
$75,000 - $99,999	597	943	1,392	4,577	3,409	4,322	**15,240**
$100,000 - $149,999	313	428	820	3,291	2,607	3,566	**11,025**
$150,000 and higher	60	158	202	1,069	1,234	1,916	**4,639**
Renter occupied	**9,004**	**3,671**	**10,675**	**11,237**	**3,832**	**773**	**39,192**
Less than $15,000	2,559	883	1,808	1,391	318	49	**7,009**
$15,000 - $24,999	1,799	633	1,857	1,831	427	52	**6,599**
$25,000 - $34,999	1,780	740	2,101	2,250	601	75	**7,547**
$35,000 - $49,999	1,552	608	2,445	2,225	914	215	**7,959**
$50,000 - $74,999	895	558	1,778	2,276	848	219	**6,574**
$75,000 - $99,999	293	165	505	789	506	84	**2,342**
$100,000 - $149,999	63	57	134	376	203	69	**904**
$150,000 and higher	62	26	46	99	15	11	**259**

Source: US Census 2000, Claritas, Economic & Planning Systems *Income by Tenure - Summary II*

POTENTIAL HOUSING PAYMENTS

The monthly housing payments for Denver-metro households are shown in **Table 38** below. The spectrum is based on the HUD-defined AMI for the region for a 2.5-person household. This income level has been used as it is the closest approximation to Aurora's 2.60 average household size. The annual income and potential monthly housing payment are shown by level of AMI. The housing payment reflects 30 percent of gross income. The hourly wages needed to reach this level are also provided and reflect the combination of all wage earners in a household. As of the 2000 Census, there were 144,067 employed residents living in Aurora's 105,526 households, resulting in an average of 1.37 employees per unit. The purpose of including the information is to provide a point of reference for the type of employment associated with each AMI level.

Table 38
Potential Housing Payment, as a percent of AMI
Aurora Housing Needs and Strategies

Income Level	Annual Income	Monthly Income	Housing Payment [1]	Hourly Wage per household
40%	$23,760	$1,980	$594	$11.42
60%	$35,640	$2,970	$891	$17.13
80%	$47,550	$3,963	$1,189	$22.86
100%	$59,400	$4,950	$1,485	$28.56
120%	$71,280	$5,940	$1,782	$34.27
150%	$89,100	$7,425	$2,228	$42.84
200%	$118,800	$9,900	$2,970	$57.12

[1] Assumes that 30 percent of gross household income spent *AMI - AMI Example*
Source: US Census 2000, Economic & Planning Systems

Based on potential housing expenditures, **Table 39** below identifies the purchase price for each income level that is considered affordable. The analysis accounts for housing related expenses, such as utilities, insurance, taxes, and homeowner association dues. A detailed breakdown of these types of expenses is provided in **Appendix Table A-3** for both renters and owners. The data is based on a query of census responses and reflects the actual expenses, as a percent of income, for Aurora residents. The financing terms are based on a 30-year fixed loan at seven percent with five percent down payment.

Table 39
Potential Purchase Price
Aurora Housing Needs and Strategies

Income Level	Housing Payment [1]	Related Expenses [2]	Mortgage	Home Loan	Down Payment	Purchase Price [3]
40%	--	--	--	--	--	--
60%	$891	35%	$579	$87,051	$4,582	$91,632
80%	$1,189	30%	$832	$125,075	$6,583	$131,658
100%	$1,485	25%	$1,114	$167,405	$8,811	$176,216
120%	$1,782	20%	$1,426	$214,278	$11,278	$225,556
150%	$2,228	15%	$1,893	$284,589	$14,978	$299,567
200%	$2,970	10%	$2,673	$401,772	$21,146	$422,918

[1] Assumes that 30 percent of gross household income spent on housing
[2] Accounts for housing expenses such as utilities, taxes, insurance, HOA fees, etc.
[3] Assumes a 30-year fixed loan at 7 percent with 5 percent down.
Source: US Census 2000, Economic & Planning Systems

The rent potential is shown in **Table 40** by income level**.** The rent potential shown accounts for housing related expenses, such as utilities. As a percentage of total income, these expenses are less than those shown for owners, as they reflect an average of all Aurora renters, many of whom do not pay utility expenses separately from their rent.

Table 40
Potential Rental Payment
Aurora Housing Needs and Strategies

Income Level	Housing Payment [1]	Related Expenses [2]	Potential Rent
40%	$594	15%	$505
60%	$891	10%	$802
80%	$1,189	10%	$1,070
100%	$1,485	10%	$1,337
120%	$1,782	5%	$1,693
150%	$2,228	5%	$2,116
200%	$2,970	5%	$2,822

[1] Assumes that 30 % of gross household income spent on housing
[2] Accounts for housing expenses such as utilities
Source: US Census 2000, Economic & Planning Systems

GAP ANALYSIS

OWNERSHIP GAPS

The gap analysis builds on the potential mortgage payments identified previously and compares the ability to pay for housing to current housing costs. The for-sale housing stock has been shown by income level in **Table 41** below**.** The multi-family and single family units shown for each subarea reflect the 7,302 sales from 2002 and the first six months of 2003. For the purposes of this analysis, the term multi-family, and the heading "MF" in the table below, refer to attached ownership units, such as townhomes and condominiums.

Table 41
2002 and 2003 Sales, by AMI
Aurora Housing Needs and Strategies

	Original		Northeast		North Central		South Central		South		East / Southeast		Total	
	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF	MF	SF
< 60%	7	3	6	0	111	0	95	0	57	0	12	0	288	3
61-80%	4	79	28	8	124	27	413	8	269	4	98	1	936	127
81-100%	3	447	9	185	118	218	485	194	353	204	76	91	1,044	1,339
101-120%	0	111	2	177	8	324	122	881	48	636	0	363	180	2,492
121-150%	0	3	0	4	5	26	52	316	4	237	0	75	61	661
151 - 200%	0	1	0	0	0	0	0	21	6	43	0	32	6	97
200% +	0	0	0	0	0	0	0	0	0	8	0	60	0	68
Total	**14**	**644**	**45**	**374**	**366**	**595**	**1,167**	**1,420**	**737**	**1,132**	**186**	**622**	**2,515**	**4,787**

Source: Genesis Group, Economic & Planning Systems

MLS III - Price by AMI

Table 42 below synthesizes household income data from **Table 37** and the housing inventory data from **Table 41**. For each subarea, the percentage of units ("Units") for each income level is compared to the percentage of households ("HH"). The difference is the deficit or surplus for each category.

For a given income level, if there is a greater percentage of households compared to units, the negative gap indicates a deficit. For example, in Original Aurora, 2 percent of the units are considered affordable at the 60 percent level while 39 percent of the owners in the subarea earn wages at that level. Thus, the difference results in a deficit of 37 percent. Using Northeast Aurora as an example shows a surplus of units at the 81 to 100 percent of AMI level. Approximately 46 percent of the ownership units are affordable to this income level and with 14 percent of household income at level, there is a surplus of 32 percent.

The largest deficits are found at the lowest income levels. In Original and Northeast Aurora, the gaps below 60 percent of AMI exceed 30 percent. The gap analysis also shows deficits at the upper income levels. In nearly all subareas, the number of households exceeds the number of units for upper income levels.

Table 42
Ownership Gap Analysis
Aurora Housing Needs and Strategies

	Original			Northeast			North Central			South Central			South			East / Southeast		
	Units	HH	Gap	Units	HH	Gap	Units	HH	Gap	Units	HH	Gap	Units	HH	Gap	Units	HH	Gap
< 60%	2%	39%	-38%	1%	33%	-31%	12%	28%	-16%	4%	21%	-17%	3%	16%	-13%	1%	9%	-8%
61-80%	13%	20%	-8%	9%	15%	-7%	16%	17%	-1%	16%	14%	2%	15%	13%	1%	12%	9%	4%
81-100%	68%	13%	56%	46%	14%	32%	35%	14%	21%	26%	14%	13%	30%	13%	17%	21%	11%	9%
101-120%	17%	11%	6%	43%	14%	29%	35%	13%	21%	39%	13%	25%	37%	13%	24%	45%	12%	33%
121-150%	0%	8%	-8%	1%	11%	-10%	3%	12%	-9%	14%	14%	0%	13%	15%	-2%	9%	17%	-8%
151 - 200%	0%	7%	-7%	0%	9%	-9%	0%	12%	-12%	1%	17%	-16%	3%	19%	-17%	4%	25%	-21%
200% +	0%	2%	-2%	0%	3%	-3%	0%	4%	-4%	0%	7%	-7%	0%	11%	-10%	7%	16%	-8%
Total	100%	100%		100%	100%		100%	100%		100%	100%		100%	100%		100%	100%	

Source: Economic & Planning Systems *2003 Data Summary - Owner Gap*

Based on the gap analysis, ownership deficits have been derived and are shown below in **Table 43** and **Figure 13.** To achieve a balance between the household capability to pay for housing and the current inventory, an additional 13,786 units are needed at the 60 percent level and below. There is also a small gap of 60 units at the 60 to 80 percent level. The upper income levels also have deficits, showing that the Aurora population has income levels that exceed the price of the upper end housing inventory. In aggregate, 18,659 units are needed at income levels above 121 percent.

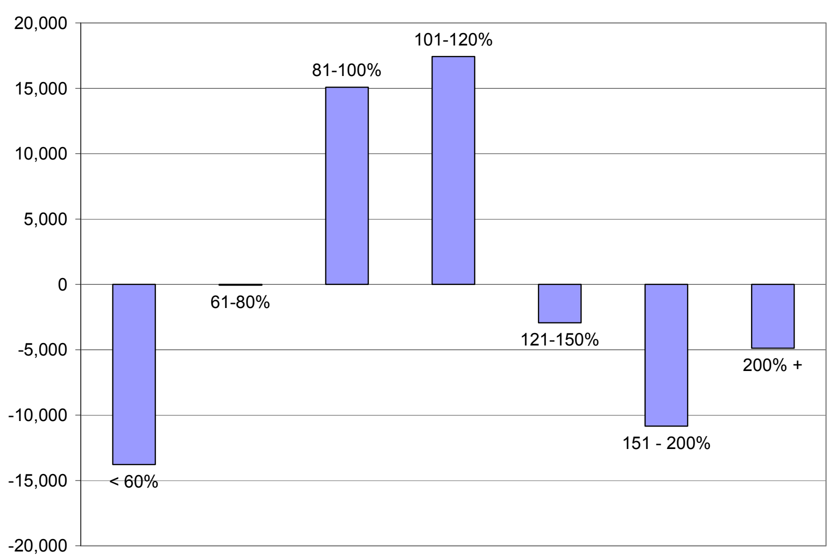
Table 43
Ownership Deficits
Aurora Housing Needs and Strategies

	Original		Northeast		North Central		South Central		South		East / SE		Total
	Gap	Deficit	Gap	Deficit	Gap	Deficit	Gap	Deficit	Gap	Deficit	Gap	Deficit	Deficit
< 60%	-38%	-2,727	-31%	-2,172	-16%	-1,603	-17%	-4,618	-13%	-2,094	-8%	-572	-13,786
61-80%	-8%	-565	-7%	-471	-1%	-94	2%	588	1%	212	4%	270	-60
81-100%	56%	4,033	32%	2,207	21%	2,063	13%	3,396	17%	2,707	9%	663	15,069
101-120%	6%	449	29%	1,975	21%	2,089	25%	6,763	24%	3,803	33%	2,356	17,434
121-150%	-8%	-553	-10%	-692	-9%	-857	0%	69	-2%	-313	-8%	-585	-2,932
151 - 200%	-7%	-497	-9%	-623	-12%	-1,200	-16%	-4,295	-17%	-2,688	-21%	-1,545	-10,848
200% +	-2%	-141	-3%	-224	-4%	-398	-7%	-1,902	-10%	-1,627	-8%	-587	-4,879

Source: Economic & Planning Systems
2003 Data Summary - Owner Deficit

The data derived from **Table 43** is shown graphically in **Figure 17** below. The greatest deficit for any single income group is on the lower end of the spectrum. However, when the deficits from separate income groups on the upper are combined, the total exceeds that of the lower income level.

Figure 17
Ownership Gaps
Aurora Housing Needs and Strategy



The deficits shown do not translate to production targets. They reflect community need, on a magnitude of order scale, and identify the income levels for which the housing stock is not balanced with the ability to pay for housing. A general solution to achieve balance is to increase incomes and/or reduce costs, thus achieving affordability using the existing housing stock. While this may appear simplistic, it underscores the wide range of solutions needed, some of which should be targeted on programs that make the current housing stock more affordable and some on production of new housing.

RENTAL GAPS

The rental inventory is shown by income level and fourth quarter 2003 rents in **Table 44**. The geography has been modified from previous chapters to approximate the boundaries of the subareas. The inventory is concentrated in the range of $501 to $800, with nearly two-thirds of the total inventory.

Table 44
Rental Inventory by AMI
Aurora Housing Needs and Strategies

Income Level	Rent Range	Original [1]	Northeast Aurora	North Central	South Central	South / Southeast	Total
Less than 40%	$0 - $500	327	99	58	94	482	1,060
41% to 60%	$501 - $800	754	460	1,183	2,444	7,001	11,842
61% to 80%	$801 - $1,075	373	152	371	921	3,557	5,374
81% to 100%	$1,076 - $1,325	0	0	0	37	566	603
More than 101%	More than $1,325	0	0	0	0	68	68
Less than 40%	$0 - $500	22%	14%	4%	3%	4%	6%
41% to 60%	$501 - $800	52%	65%	73%	70%	60%	63%
61% to 80%	$801 - $1,075	26%	21%	23%	26%	30%	28%
81% to 100%	$1,076 - $1,325	0%	0%	0%	1%	5%	3%
More than 101%	More than $1,325	0%	0%	0%	0%	1%	0%

[1] Includes a portion of Denver Northeast

Von Stroh Vacancy Data 2003 - Gap Basis

Source: Apartment Vacancy and Rent Study, Economic & Planning Systems

The housing inventory has been shown as a percentage of the whole for each subarea in **Table 45** below. Subtracting the percentage of households at the corresponding income level ("HH") from the percentage of rental units ("Units") identifies the deficit or surplus. Similar to the ownership gap analysis, there is insufficient supply at the lowest and highest levels, with a surplus concentrated in the middle of the spectrum.

Table 45
Renter Gap Analysis
Aurora Housing Needs and Strategies

	Original			Northeast			North Central			South Central			South/East-SE		
	Units	HH	Gap	Units	HH	Gap	Units	HH	Gap	Units	HH	Gap	Units	HH	Gap
< 40%	22%	46%	-24%	14%	39%	-25%	4%	32%	-28%	3%	27%	-24%	4%	17%	-13%
41-60%	52%	23%	29%	65%	23%	42%	73%	23%	50%	70%	23%	47%	60%	17%	43%
61-80%	26%	14%	12%	21%	13%	8%	23%	18%	5%	26%	16%	10%	30%	19%	11%
81-100%	0%	7%	-7%	0%	8%	-8%	0%	10%	-10%	1%	11%	-10%	5%	13%	-8%
> 101%	0%	11%	-11%	0%	16%	-16%	0%	17%	-17%	0%	24%	-24%	1%	34%	-33%
Total	100%	100%	0%	100%	100%	0%	100%	100%	0%	100%	100%	0%	100%	100%	0%

Source: Economic & Planning Systems *2003 Data Summary - Renter Gap*

Renter deficits, shown in **Table 46** and **Figure 14,** indicate a need for 9,124 units that are affordable to households with incomes below 40 percent of AMI. Upper end income levels are also under represented in the rental inventory, with a similar number of units needed at the 81 to 100 percent level (3,325) and 101 percent and higher (7,216).

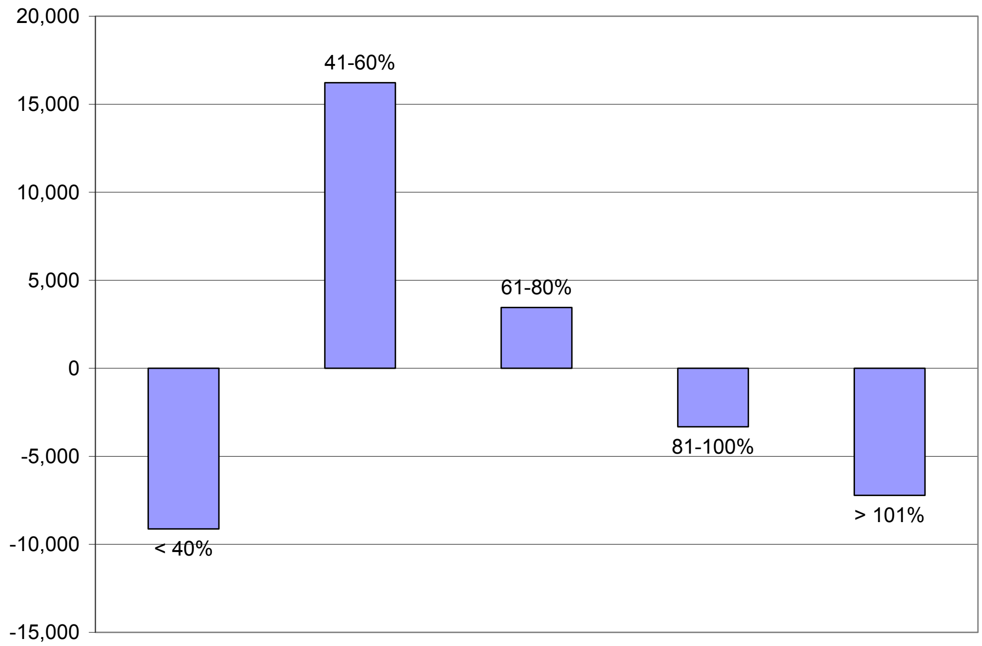
Table 46
Renter Deficits
Aurora Housing Needs and Strategies

	Original		Northeast		North Central		South Central		South/East-SE		Total
	Gap	Deficit	Gap	Deficit	Gap	Deficit	Gap	Deficit	Gap	Deficit	Deficit
< 40%	-24%	-2,206	-25%	-785	-28%	-2,960	-24%	-2,680	-13%	-493	-9,124
41-60%	29%	2,676	42%	1,310	50%	5,271	47%	5,338	43%	1,622	16,216
61-80%	12%	1,136	8%	245	5%	505	10%	1,165	11%	398	3,449
81-100%	-7%	-604	-8%	-263	-10%	-1,051	-10%	-1,116	-8%	-291	-3,325
> 101%	-11%	-1,001	-16%	-507	-17%	-1,765	-24%	-2,707	-33%	-1,236	-7,216

Source: Economic & Planning Systems *2003 Data Summary - Renter Deficit*

The rental gaps are shown graphically in **Figure 18** below. There are surpluses for income groups between 41 and 80 percent of AMI, with significant deficits on the lower and upper ranges.

Figure 18
Rental Gaps
Aurora Housing Needs and Strategy



Similar to the ownership gaps, the deficits do not represent production targets but are goals for improving affordability at the lowest income levels. Programs, acquisitions, and new construction each have a role and can be used together to help achieve a balanced inventory.

AMI CONSIDERATIONS

The gap analysis is based on the HUD AMI that covers the Denver-metro area. Differences among cities and counties are not identified, making differences within cities undistinguishable. The median income by subarea is listed below in **Table 47.** Each subarea is contrasted to the Denver-metro median, revealing a 93 percentage point spread from the lowest (Original at 60 percent) to the highest (East-Southeast at 153 percent).

If actual subarea medians were factored into the gap analysis, the medians would be lowered in the north and raised in the south. Because the three northern subareas are 20 to 40 percentage points below the average, the previously determined median rent level should be recognized as an inflated level given the wage levels of the subarea.

The application of this finding suggests that the community's actual need is greater for lower priced housing in the subareas with lower medians. The lower median reflects lower household capability for rents and mortgages for the subarea. The price of the rental and for-sale housing stock, while reasonable in terms of metro-wide standards, is overpriced relative to local conditions.

Table 47
Comparison of Subarea Median Income to Metro Standard
Aurora Housing Needs and Strategies

Subarea	Median Income	% of Metro Area Median
Original	$35,431	60%
Northeast	$47,431	80%
North Central	$44,551	75%
South Central	$57,974	98%
South	$68,769	116%
East/Southeast	$90,702	153%
Metro area AMI [1]	$59,400	100%

[1] Based on a household of 2.5 persons
Source: HUD, Claritas, EPS *2003 Data Summary - AMI Comp*

IX. BEST PRACTICES

EPS and AHA housing staff identified five successful comparable housing agencies to evaluate "best practices". Staff from the high-performing housing authorities were interviewed to identify a set of lessons learned from which the Aurora housing agencies can help define its focus. The five agencies are listed in **Table 48** below with an overview of each program.

Table 48
Best Practices
Aurora Housing Needs

Place	Tucson, Arizona	Colo. Springs, Colorado	Fort Collins, Colorado	Duluth, Minnesota	Vancouver, Washington	Aurora, Colorado
Population						
City	486,699	360,890	118,652	86,918	143,560	276,393
Surrounding Metro Area	843,746	516,929	251,494	243,815	2,265,223	2,581,506
Housing Units						
Housing Authority Units						
Section 8 Vouchers	5,000	2,000	850	1,498	1,968	1,422
Public Housing Units	1,500	700	154	1,236	590	201
Other	450	1,300	388	0	2,749	961
Total	6,950	4,000	1,392	2,734	5,307	2,584
Comparisons						
Total City Housing Units	209,609	148,690	47,755	36,994	60,039	109,260
Ratio Total Units to Aff. Units	3.32%	2.69%	2.91%	7.39%	8.84%	2.37%

Source: US Census, Economic & Planning Systems Interviews *Best Prac -- BP*

AREAS OF EXCELLENCE

The agencies were selected as they excel in various areas, such as community partnership building, internal standards for processes and procedures, financing strategies, and housing production as summarized below.

Expanding Capacity

A central attribute of the successful housing authorities is their commitment to expand capacity to serve their communities, primarily in the form of development and/or acquisitions. Some of the housing authorities have also expanded the number and type of services provided, extending outside conventional roles. A traditional role for housing authorities is to channel pre-defined federal programs to a local community. Many rely exclusively on federal dollars for their entire set of programs. However, best practices indicate that organizations that take on a developer role establish a substantial inventory which can generate cash flow and financing options for future projects. Those that have "weaned themselves from HUD" have developed a greater range of products and services, including programs for the more challenging segments of the community. Two communities in particular stand out, Colorado Springs and Vancouver which have developed 1,300 and 2,400 units respectively using internal resources.

- Colorado Springs relies primarily on equity from previous projects, augmented with HOME funds from the city or state. Their inventory generates approximately $750,000 of surplus cash flow annually. The organization is reaping the benefits of a concerted effort to acquire and develop that started in the mid-1970's. In the past, Colorado Springs has focused on acquisition but is now focused on new development due to low capitalization rates and the lack of quality projects currently available. Current efforts involve partnerships with developers. The housing authority contributes some equity and its tax-exempt status in exchange for long-term affordability commitments, typically in the range of 30 to 50 percent of AMI.

- Vancouver Housing Authority (VHA) takes a different tact and has created 2,400 units since the mid 1980's. Approximately 2,000 units in the inventory are considered workforce housing with 51 percent of the units rented to households earning less than 80 percent of AMI. Because the remaining units are market rate, the developments require less equity (none in many cases) due to the project's higher annual gross income. The director emphasized that a commitment to quality is key to their success. Whether acquisition or new development, the finished Class A product appeals to the full range of the market and provides exceptional homes for the lower income residents. Most importantly, the workforce housing projects provide revenue that can be applied to transitional housing and homeless shelters. The community expects the housing authority to address the full spectrum of needs, which it can due to the positive cash flow from projects that serve higher AMI levels.

Partnerships

All five housing authorities interviewed have established strong partnerships throughout their communities. Duluth has developed an award-winning strategy to improve four of the city's most distressed neighborhoods. The "At Home in Duluth" program will revitalize these areas with new residential construction and renovation, infrastructure improvements, and commercial revitalization. The Duluth Housing Authority has developed a matrix of 19 actions to be implemented by a consortium of 15 local agencies. The partnerships range from lenders and builders to advocates and nonprofits. The housing authority has taken the lead and prioritized the needs and actions and directed the energies of their partners.

Tucson is in a unique position, as the housing authority operates as a city department and is responsible for community development tasks, such as allocating all Block Grants and HOME funds, in addition to the more conventional housing authority tasks, such as Section 8 vouchers and public housing. It also administers federal and city funds for social services. One benefit from consolidating this role is a reduction in redundancy and the additional capacity to create partnerships elsewhere in the community. The housing authority takes on the responsibility to establish a five-year plan, which corresponds to their Consolidated Plan but is more specific. For the past five years, the housing authority has successfully met the plan's production goal of 1,000 units per year. This high production rate is possible as the housing authority partners with a range of nonprofit developers, including more than a dozen local Community Housing Development Organizations (CHDOs).

Mixed-Income Development

As noted previously, Vancouver has been particularly successful with mixed-income rental development. In addition, Tucson consistently includes a small percentage of market rate homes in its ownership developments. Staff reports a dual motivation. Residents enjoy an environment that is more integrated than traditional housing authority projects and the housing authorities benefit with the extra margin provided by market rate owners/renters that off set the subsidies required for the affordable units.

Entry level Home Ownership

All housing authorities are involved with entry-level home ownership programs. Duluth is advocating Section 8 ownership, although finds a limited number of potential owners among its tenants. The recent purchases have been accomplished with a one percent down payment provided by other local agencies, an intensive effort to clean the credit history, homeownership classes, and permanent employment. Colorado Springs originates lower-interest loans, through large-scale bond issuance. They work with CHFA in some cases and El Paso County in others. Tucson targets households between 50 and 80 percent of AMI for its entry-level home ownership, and gives a priority to current Section 8 voucher holders and public housing residents. This provides a "soft second," which covers the gap between the maximum loan available to a household and the purchase price. The second is carried by the housing authority under reasonable terms, and is retired at time of sale or refinance. Tucson also provides a Mortgage Credit Certificate (MCC) program, whereby qualifying households are given a credit on their annual taxes after a local public agency foregoes the right to issue a portion of their annual Private Activity Bond allocation.

Rental Projects

Rental projects make up a large portion of the work program for these agencies and each use all resources available. Many have focused on acquisitions in the past and are now active with new development due to a shift in market conditions. Most are reluctantly involved in tax credit development as the staff perceive a high level of logistic challenges, but pursue it as it offers one of the better sources of capital. Staff from Tucson, Colorado Springs, and Vancouver are active with four and nine percent projects, in some cases being the exclusive developer and partnering with developers in others. Much of the success of these projects is due to internal capacity building, specifically the addition of staff with development expertise. Within Colorado, the ability to lift property taxes from housing authority-owned properties provides opportunities for partnerships, generating fees and establishing long-term affordability requirements.

Transitional Housing

Fort Collins and Vancouver have been successful with transitional housing. The biggest challenge is case management and the Fort Collins Housing Authority has successfully coordinated with the Larimer County for on-site management. Approximately 12 percent (47 of 388 total units) of Fort Collins' inventory are transitional, which reflects a high level of commitment to this segment of the community. Two of these projects are project-based Section 8 and the other is constantly subsidized by the housing authority.

Vancouver has developed a tax-credit project where 15 percent of the units are set aside for transitional residents. It partners with the local Council for the Homeless to identify residents likely to succeed in the program. Initial triage and on-going case management are key to success. For residents who successfully complete the program, the housing authority provides a voucher upon "graduation," which is intended to insure a continual stream of incoming and outgoing participants.

Land Banking

Colorado Springs, Tucson, and Fort Collins are committed to land banking. Finding appropriate sites for development is one of the toughest challenges in the process. Tucson and Colorado Springs have an informal program that relies on partners for funding. The City of Tucson has partnered with the city to use surplus sites (such as former public works sites that are no longer needed) as well as to acquire new parcels. For the acquisitions, they combine HOME funds and city general fund dollars. Fort Collins has established a formal land banking process for housing and has purchased four properties to date. The combined 38 acres is expected to provide sites for 380 to 450 units. The city holds each acquisition for a period of time, and then makes it available through an RFP process to affordable housing developers, which includes the housing authority.

Commitment to Quality

All of the agencies are committed to the high quality development. Each are committed to providing the best homes possible for their clients; however the overriding motivation for quality is not altruistic but economic. Higher quality developments endure soft market conditions with lower vacancy rates. Fewer concessions are needed. Long-term maintenance costs are lower. Relations with neighbors are better. Housing Authority credibility is stronger.

Full Spectrum of Housing

Most of the agencies interviewed are committed to addressing housing needs across the full economic spectrum. The Vancouver community supported the housing authority's movement up the spectrum, with its development of workforce rental housing that can include up to 49 percent market-rate units, on the condition that the agency also move down the spectrum and focus on needs of lower income residents. The agency constructed four homeless shelters using surplus funds from other programs. It has developed transitional housing as well as single room occupancy (SRO) projects (one through the McKinney Act) that serves veterans.

Establishing Processes, Targets, and Accountability

High performing agencies set goals, track their performance, make their efforts transparent, and continually seek to improve the organization. The City of Tucson's five-year plan supplements their Consolidated Plan, with specific actions that are more meaningful to the network of organizations involved with housing. They have summarized their mission with a simple goal the community can easily grasp, "1,000 per year for five years." They measure their production, acquisition, sales, and renovation efforts and continually measure their performance against the goal. The strength of the Duluth Housing Authority is apparent when it is compared to its recent past. Ten years ago, it scored very poorly against national standards and was almost designated as "troubled." Since then, a new director reorganized the staff, invested in training, and established systems for the organization. Their 97 percent occupancy rate speaks to their ability to retain tenants. For vacancies, they have established targets for cleaning, maintenance, and marketing, and have achieved their targets of a maximum off-line time period of 30 days. The Vancouver Housing Authority goals for fiscal heath requires them to reduce their reliance on federal funds. Ten years ago, 84 percent of the agency's annual budget came from the federal government. Now, it represents approximately 50 percent and the goal is to reduce it to 33 percent.

Lessons Learned

A comparison of housing inventory indicates that, at least in aggregate numbers, Aurora has a deficiency of permanently affordable housing units when compared to the five communities surveyed. In **Table 49** below, the average ratio of permanently affordable housing units to total units is listed for the five communities surveyed. This figure, 5.03 percent of total units, is more than twice Aurora's figure of 2.37 percent. Applying the average of the represented communities to the total units in the city identifies a target of 5,496 units, identifying a deficit of 2,912 units. While the AHA has provided many housing units, it has 60 percent fewer units than the average of selected communities.

Table 49
Best Practices Applied to Aurora
Aurora Housing Needs

Place	Aurora
Total Housing Units	109,260
Total HA Assisted Inventory	2,584
Ratio Total Units to Affordable Units	2.37%
Best Practices Average Percentage	5.03%
Inventory under Best Practices standard	5,496
Difference	**2,912**

Source: Economic & Planning Systems *Best Prac - Summ*

As described in more detail in the Recommended Strategies, the AHTF and AHA can draw from the experience of these high-performing agencies. Actions to take include:

- Expand capacity, specifically by developing a larger housing inventory that will provide financial leverage for future projects and programs. The long-term benefits cannot be overstated as they relate to annual revenues as well as asset pool that can be used to decrease the cost of funds. Based on employment forecasts, there is a need for the addition of 400 units annually through 2020 that market-rate developers are not likely to address. Additionally, there is the current deficit of 13,800 ownership and 9,100 rental units.

- Move up and down the spectrum of need simultaneously, as resources allow. While housing needs are present across the economic spectrum, the subsidy per unit increases the further one moves down the spectrum. Thus, addressing needs at the higher income levels will enable future resources to be directed to the lower levels.

- Build broader community partnerships, by driving the effort to coordinate resources and efforts among the range of community organizations. Although there are many organizations present in Aurora that are already addressing housing needs; there are several large, well established non-profit organizations that do not have a presence. There may be opportunities for new organizations that do not currently exist and for a larger presence of private sector entities with a stake in housing. Communities with strong housing track records use the resources of a broad network of organizations, and coordinate them to eliminate inefficiencies and capitalize on strengths. The city should develop a five-year plan that identifies a role for each of the organizations active in the community, including the Counties, as well as those that are not currently present. This plan may be viewed as a supplement to the Consolidated Plan, but should focus on community resources outside the city. Based on the targets identified in this study (summarized above), the plan should identify roles for each partner and the way each contribution fits into the overall spectrum of need.

- Establish targets and documenting procedures. High performing organizations can track performance and measure the extent to which they improving. Some targets will apply directly to the AHA or city but most should be written to account for the community-wide activity by all housing partners. Examples include annual production and acquisition, total dollars invested in housing for a give year, percent of total housing inventory affordable to specific income levels, job growth/housing growth, number of housing partners involved, etc.

- Reinforce the commitment to quality in every undertaking. The long term success of housing in Aurora depends on the larger community believing that it is an asset to its economic health and community vitality. Every project must achieve the highest quality possible to reinforce the community's acceptance of housing.

APPENDIX A:
ADDITIONAL TABLES

Appendix Table A-1
Demographic History and Projections
Aurora Housing Needs and Strategies

Subarea	Original	North Central	Northeast	South Central	South	East / Southeast
Population						
1990	34,448	40,401	24,854	77,410	42,993	17,775
2000	50,067	46,916	32,015	89,179	56,851	43,773
2003	49,914	47,840	34,406	92,028	58,721	59,914
Percent of Total	15%	14%	10%	27%	17%	17%
Change						
90-2000	15,619	6,515	7,161	11,769	13,858	25,998
2000-03	-153	924	2,391	2,849	1,870	16,141
Percentage Change						
90-2000	45%	16%	29%	15%	32%	146%
2000-03	0%	2%	7%	3%	3%	37%

Source: Claritas, EPS

2003 Data Summary - Pop and HH

Appendix Table A-2
Distribution in Real Estate Sales, 2002 - 2003
Aurora Housing Needs and Strategies

	Original		Northeast		North Central		South Central		South		East/SE		Total		
	Condo	SF	Condo	SF	Condo	SF	Condo	SF	Condo	SF	Condo	SF	Condo	SF	All
$0 - $50,000	3	0	0	0	6	0	2	0	0	0	0	0	11	0	11
$50,001 - $75,000	4	2	5	0	55	0	23	0	18	0	0	0	105	2	107
$75,001 - $100,000	1	6	5	0	71	0	125	1	73	0	18	0	293	7	300
$100,001 - $125,000	3	45	19	3	80	9	285	5	167	1	69	0	623	63	686
$125,001 - $150,000	2	157	6	24	101	70	305	14	267	35	68	8	749	308	1057
$150,001 - $175,000	1	304	8	158	40	159	249	170	153	165	31	77	482	1033	1515
$175,001 - $200,000	0	113	2	171	6	239	92	538	36	380	0	256	136	1697	1833
$200,001 - $225,000	0	13	0	14	2	88	33	341	13	262	0	114	48	832	880
$225,001 - $250,000	0	3	0	2	5	21	39	218	2	145	0	42	46	431	477
$250,001 - $275,000	0	0	0	2	0	5	12	90	1	72	0	22	13	191	204
$275,001 - $300,000	0	0	0	0	0	4	2	23	2	21	0	11	4	59	63
$300,001 - $350,000	0	1	0	0	0	0	0	13	2	28	0	14	2	56	58
$350,001 - $400,000	0	0	0	0	0	0	0	5	1	12	0	11	1	28	29
$400,001 - $450,000	0	0	0	0	0	0	0	2	2	6	0	17	2	25	27
$450,001 - $500,000	0	0	0	0	0	0	0	0	0	1	0	8	0	9	9
$500,001 - $550,000	0	0	0	0	0	0	0	0	0	1	0	9	0	10	10
$550,001 - $600,000	0	0	0	0	0	0	0	0	0	1	0	6	0	7	7
$600,001 - $800,000	0	0	0	0	0	0	0	0	0	2	0	21	0	23	23
$800,001 - $1,000,000	0	0	0	0	0	0	0	0	0	0	0	5	0	5	5
$1,000,000 and higher	0	0	0	0	0	0	0	0	0	0	0	1	0	1	1
Total	**14**	**644**	**45**	**374**	**366**	**595**	**1167**	**1420**	**737**	**1132**	**186**	**622**	**2515**	**4787**	**7302**
$0 - $50,000	21%	0%	0%	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
$50,001 - $75,000	29%	0%	11%	0%	15%	0%	2%	0%	2%	0%	0%	0%	4%	0%	1%
$75,001 - $100,000	7%	1%	11%	0%	19%	0%	11%	0%	10%	0%	10%	0%	12%	0%	4%
$100,001 - $125,000	21%	7%	42%	1%	22%	2%	24%	0%	23%	0%	37%	0%	25%	1%	9%
$125,001 - $150,000	14%	24%	13%	6%	28%	12%	26%	1%	36%	3%	37%	1%	30%	6%	14%
$150,001 - $175,000	7%	47%	18%	42%	11%	27%	21%	12%	21%	15%	17%	12%	19%	22%	21%
$175,001 - $200,000	0%	18%	4%	46%	2%	40%	8%	38%	5%	34%	0%	41%	5%	35%	25%
$200,001 - $225,000	0%	2%	0%	4%	1%	15%	3%	24%	2%	23%	0%	18%	2%	17%	12%
$225,001 - $250,000	0%	0%	0%	1%	1%	4%	3%	15%	0%	13%	0%	7%	2%	9%	7%
$250,001 - $275,000	0%	0%	0%	1%	0%	1%	1%	6%	0%	6%	0%	4%	1%	4%	3%
$275,001 - $300,000	0%	0%	0%	0%	0%	1%	0%	2%	0%	2%	0%	2%	0%	1%	1%
$300,001 - $350,000	0%	0%	0%	0%	0%	0%	0%	1%	0%	2%	0%	2%	0%	1%	1%
$350,001 - $400,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	2%	0%	1%	0%
$400,001 - $450,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	3%	0%	1%	0%
$450,001 - $500,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%
$500,001 - $550,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%
$550,001 - $600,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%
$600,001 - $800,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	0%	0%	0%
$800,001 - $1,000,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%
$1,000,000 and higher	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Genesis Consulting, Economic & Planning Systems

MLS III - Sum Table

Appendix Table A-3
Percentage of Income Spent on Housing Related Costs
Aurora Housing Needs and Strategies

	# of House-holds	Electric	Gas	Water	Oil	Insurance	Prop. Tax	HOA Fees	Average Household Income	Average Housing Allowance [1]	Total Related Costs	Costs as a Percentage of Allowance	Approx. AMI Level
Renter Households													
Less than $15,000	7,175	$3,173,955	$1,503,829	$328,029	$32,872	--	--	--	$7,970	$2,391	$702	29%	
$15,000 to $19,999	2,802	$1,462,957	$614,298	$232,174	$3,903	--	--	--	$17,039	$5,112	$826	16%	40%
$20,000 to $24,999	3,672	$2,182,836	$946,901	$195,475	$35,190	--	--	--	$22,447	$6,734	$915	14%	
$25,000 to $29,999	3,742	$1,861,862	$915,696	$390,479	$45,438	--	--	--	$26,953	$8,086	$859	11%	60%
$30,000 to $34,999	3,243	$1,808,560	$817,427	$235,209	$27,663	--	--	--	$32,059	$9,618	$891	9%	
$35,000 to $39,999	3,113	$2,027,717	$1,154,583	$286,568	$6,974	--	--	--	$36,930	$11,079	$1,117	10%	
$40,000 to $44,999	2,804	$1,575,800	$543,111	$194,214	$42,962	--	--	--	$41,728	$12,518	$840	7%	80%
$45,000 to $49,999	2,223	$1,369,268	$677,778	$181,234	$3,330	--	--	--	$47,148	$14,144	$1,004	7%	
$50,000 to $59,999	3,163	$2,445,671	$870,393	$499,047	$47,122	--	--	--	$54,165	$16,249	$1,221	8%	100%
$60,000 to $74,999	3,338	$2,553,274	$1,418,013	$697,613	$46,322	--	--	--	$65,589	$19,677	$1,413	7%	120%
$75,000 to $99,999	2,294	$1,826,027	$813,983	$393,597	$46,567	--	--	--	$83,542	$25,063	$1,343	5%	150%
$100,000 to $124,999	396	$303,960	$147,247	$81,900	$2,169	--	--	--	$107,837	$32,351	$1,352	4%	
$125,000 to $149,999	296	$170,700	$132,310	$22,800	$271	--	--	--	$141,045	$42,313	$1,102	3%	
$150,000 to $199,999	231	$145,680	$66,777	$11,253	$231	--	--	--	$165,579	$49,674	$969	2%	200%
$200,000 or more	36	$10,800	$18	$18	$36	--	--	--	$264,800	$79,440	$302	0%	
Owner Households													
Less than $15,000	2,392	$1,685,202	$1,217,132	$516,238	$4,645	$1,343,950	$2,302,425	$981,360	$7,834	$2,350	$3,366	143%	
$15,000 to $19,999	1,509	$997,500	$638,392	$375,662	$19,665	$618,900	$1,235,550	$1,243,080	$17,493	$5,248	$3,399	65%	40%
$20,000 to $24,999	1,975	$1,419,316	$1,049,726	$527,077	$4,351	$984,530	$1,841,850	$816,480	$22,336	$6,701	$3,364	50%	
$25,000 to $29,999	3,021	$2,134,617	$1,482,101	$651,102	$45,931	$1,231,120	$2,703,575	$1,710,840	$27,303	$8,191	$3,297	40%	60%
$30,000 to $34,999	3,936	$3,011,239	$1,811,385	$976,303	$55,549	$1,776,210	$3,629,675	$1,791,840	$32,157	$9,647	$3,316	34%	
$35,000 to $39,999	3,941	$2,857,124	$1,975,211	$1,172,464	$24,329	$1,737,490	$4,252,625	$1,949,760	$37,215	$11,164	$3,545	32%	
$40,000 to $44,999	4,417	$3,450,870	$2,268,710	$1,493,037	$49,759	$2,287,800	$4,611,050	$2,703,360	$42,097	$12,629	$3,818	30%	80%
$45,000 to $49,999	4,237	$3,358,840	$2,281,983	$1,443,523	$89,203	$2,278,690	$4,580,175	$1,036,920	$47,122	$14,137	$3,557	25%	
$50,000 to $59,999	8,158	$6,377,353	$4,416,232	$2,913,526	$152,174	$4,284,132	$9,244,475	$2,363,400	$54,383	$16,315	$3,647	22%	100%
$60,000 to $74,999	11,503	$9,620,328	$6,440,864	$4,105,002	$103,894	$6,394,980	$13,827,050	$2,585,280	$66,466	$19,940	$3,745	19%	120%
$75,000 to $99,999	13,229	$12,374,510	$8,100,883	$5,667,833	$156,230	$7,646,710	$17,676,300	$1,632,840	$85,079	$25,524	$4,026	16%	150%
$100,000 to $124,999	6498	$6,820,130	$4,405,078	$2,922,861	$45,288	$4,404,060	$10,824,750	$535,800	$110,775	$33,232	$4,610	14%	
$125,000 to $149,999	3088	$3,173,600	$2,300,383	$1,459,370	$8,425	$2,229,770	$5,197,375	$174,960	$135,355	$40,607	$4,710	12%	
$150,000 to $199,999	2047	$2,137,975	$1,473,627	$910,663	$5,860	$1,569,830	$4,387,050	$74,880	$169,199	$50,760	$5,159	10%	200%
$200,000 or more	1939	$2,198,240	$1,780,643	$1,059,383	$6,112	$1,745,080	$5,191,000	$136,800	$307,679	$92,304	$6,249	7%	

[1] Allowance assumes that households spend 30% of gross income on housing expenses
Source: US Census 2000, Economic & Planning Systems

Appendix Table A-4
1990 - 2000 Comparison, Original Aurora
Aurora Housing Needs and Strategies

Demographics	Original 1990 Number	1990 % Of Total	2000 Number	2000 % Of Total	Comparison Number	Comparison % Change
Population	34,448		50,067		15,619	45%
Households	14,108	41%	16,456	33%	2,348	17%
Race						
White	23,142	67%	15,618	31%	-7,524	-33%
Black	6,589	19%	7,134	14%	545	8%
American Indian, Eskimo, or Aleut	552	2%	437	1%	-115	-21%
Asian or Pacific Islander*	1,088	3%	1,164	2%	76	7%
Other race*	8	0%	1,373	3%	1,365	-- [1]
Hispanic	3,069	9%	24,341	49%	21,272	693%
Tenure						
Owner occupied	5,992	43%	7,234	44%	1,242	21%
Renter occupied	7,912	57%	9,222	56%	1,310	17%
Total	13,904	100%	16,456	100%	2,552	18%
Units in Structure						
1 Unit	9,212	53%	9,157	51%	-55	-1%
2 Unit	384	2%	366	2%	-18	-5%
3-19 Units	4,453	26%	4,363	24%	-90	-2%
20 or more	2,768	16%	3,433	19%	665	24%
Mobile home	469	3%	540	3%	71	15%
Total	17,286	100%	17,859	100%	573	3%
Housing Costs as a Percentage of Household Income						
Rental						
30 to 34 percent	642	8%	725	8%	83	13%
35 percent or more	2,509	32%	2,723	30%	214	9%
Not computed	545	7%	475	5%	-70	-13%
Total	7,897	100%	9,212	100%	1,315	17%
Owner						
30 to 34 percent	335	6%	644	10%	309	92%
35 percent or more	821	15%	1,441	22%	620	76%
Not computed	12	0%	61	1%	49	-- [1]
Total	5,592	100%	6,637	100%	1,045	19%

Source: US Census, EPS
* Races combined to accomidate changes in 1990 and 2000 census race descriptions
[1] Not statistically significant

Appendix Table A-5
1990 - 2000 Comparison, North Central Aurora
Aurora Housing Needs and Strategies

Demographics	North Central					
	1990		2000		Comparison	
	Number	% Of Total	Number	% Of Total	Number	% Change
Population	40,476		46,916		6,440	16%
Households	18,293	45%	20,223	43%	1,930	11%
Race						
White	30,364	75%	25,463	54%	-4,901	-16%
Black	5,850	14%	9,726	21%	3,876	66%
American Indian, Eskimo, or Aleut	173	0%	256	1%	83	48%
Asian or Pacific Islander*	1,574	4%	2,117	5%	543	34%
Other race*	68	0%	1,587	3%	1,519	-- [1]
Hispanic	2,747	7%	7,767	17%	5,020	183%
Tenure						
Owner occupied	8,156	44%	9,760	48%	1,604	20%
Renter occupied	10,174	56%	10,504	52%	330	3%
Total	18,330	100%	20,264	100%	1,934	11%
Units in Structure						
1 Unit	8,696	43%	9,257	44%	561	6%
2 Unit	136	1%	216	1%	80	59%
3-19 Units	7,070	35%	7,387	35%	317	4%
20 or more	4,323	21%	4,234	20%	-89	-2%
Mobile home	3	0%	8	0%	5	167%
Total	20,228	100%	21,102	100%	874	4%
Housing Costs as a Percentage of Household Income						
Rental						
30 to 34 percent	1,017	10%	935	9%	-82	-8%
35 percent or more	2,206	22%	3,046	29%	840	38%
Not computed	203	2%	291	3%	88	43%
Total	10,168	100%	10,507	100%	339	3%
Owner						
30 to 34 percent	574	8%	540	7%	-34	-6%
35 percent or more	894	13%	1,247	16%	353	39%
Not computed	35	1%	33	0%	-2	-- [1]
Total	6,787	100%	7,715	100%	928	14%

Source: US Census, EPS

* Races combined to accommodate changes in 1990 and 2000 census race descriptions

[1] Not statistically significant

Appendix Table A-6
1990 - 2000 Comparison, Northeast Aurora
Aurora Housing Needs and Strategies

Demographics	Northeast 1990 Number	1990 % Of Total	2000 Number	2000 % Of Total	Comparison Number	Comparison % Change
Population	26,382		28,814		2,432	9%
Households	9,763	37%	10,029	35%	266	3%
Race						
White	20,331	77%	15,763	55%	-4,568	-22%
Black	3,207	12%	4,199	15%	992	31%
American Indian, Eskimo, or Aleut	212	1%	203	1%	-9	-4%
Asian or Pacific Islander*	682	3%	1,056	4%	374	55%
Other race*	25	0%	910	3%	885	-- [1]
Hispanic	1,925	7%	6,683	23%	4,758	247%
Tenure						
Owner occupied	6,612	68%	6,909	69%	297	4%
Renter occupied	3,116	32%	3,119	31%	3	0%
Total	9,728	100%	10,029	100%	301	3%
Units in Structure						
1 Unit	6,671	60%	6,158	50%	-513	-8%
2 Unit	45	0%	80	1%	35	78%
3-19 Units	1,169	10%	1,178	10%	9	1%
20 or more	1,178	11%	873	7%	-305	-26%
Mobile home	2,124	19%	2,023	16%	-101	-5%
Total	11,187	100%	12,363	100%	1,176	11%
Housing Costs as a Percentage of Household Income						
Rental						
30 to 34 percent	324	11%	230	7%	-95	-29%
35 percent or more	918	31%	801	26%	-117	-13%
Not computed	133	4%	183	6%	50	37%
Total	2,999	100%	3,089	100%	90	3%
Owner						
30 to 34 percent	326	7%	534	11%	208	64%
35 percent or more	812	18%	783	16%	-29	-4%
Not computed	0	0%	44	1%	44	-- [1]
Total	4,575	100%	4,955	100%	380	8%

Source: US Census, EPS

* Races combined to accommodate changes in 1990 and 2000 census race descriptions

[1] Not statistically significant

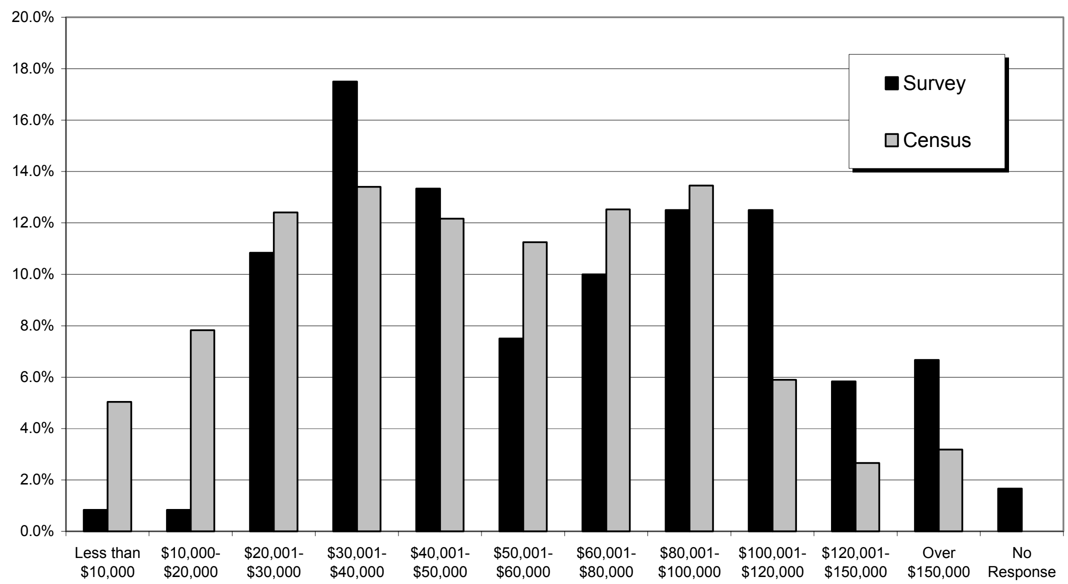
APPENDIX B:
EMPLOYER SURVEY

EMPLOYER SURVEY

To augment census data, two local employers agreed to survey their employees about housing needs. The Aurora Medical Center and the Aurora Mental Health Center distributed a ten-question survey to 1,750 employees in December of 2003 and the results from 131 returned surveys is provided below. The response rate of 7.5 percent is not sufficient to be statistically valid, but provides employee specific data to supplement the census data. **Exhibit 1** provides a copy of the one-page survey, with the number of responses for each question.

In **Figure B-1** below, the 131 households are grouped by income level and compared to census data. The local survey includes responses from the lowest increment (less than $10,000) as well as the highest increment (more than $150,000). Although the data set is not large, it is generally proportional to the income distribution captured by the census.

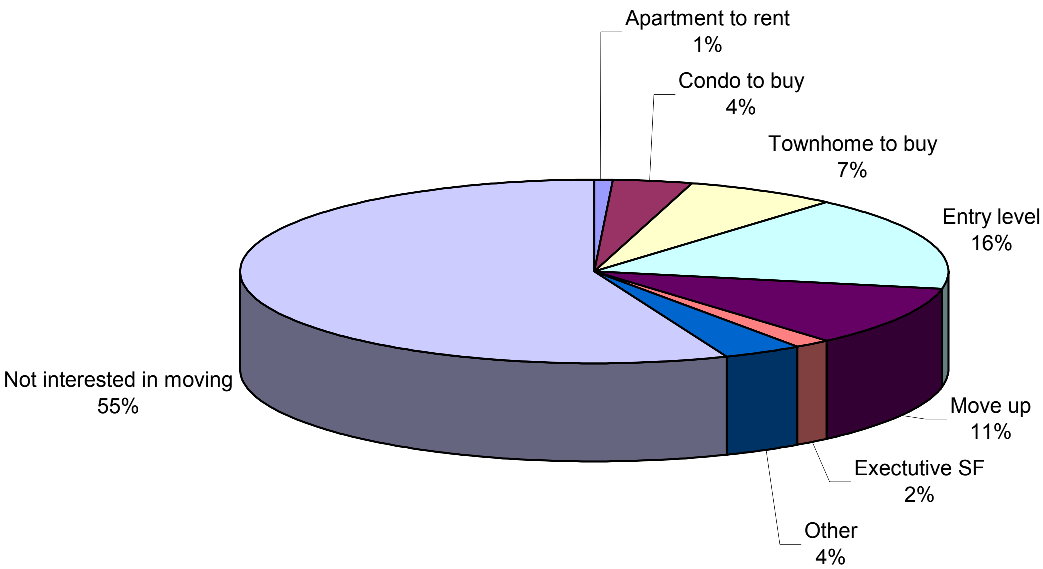
Appendix Figure B-1
Household Income Distribution
Aurora Housing Needs and Strategies



Source: Economic & Planning Systems, US Census
Note: There is a $5,000 overlap between the survey and Census categories in the $60-$80K, $80-$100K, $100-$120K, and $120-$150K categories.

Employees were asked about their housing preferences and most indicated that they have no plans to move (55 percent) as shown in **Figure B-2**. For those desiring a different home, entry level homeownership was the most frequently selected option (16 percent) followed by a move-up home (11 percent). The survey listed home costs for each option, which was $200,000 for the entry level option and $350,000 for the move-up home. Condominiums and townhouses were listed at $100,000 and $150,000 respectively and apartments were shown at $800 per month. The executive home option was priced at $500,000.

Appendix Figure B-2
Housing Preferences
Aurora Housing Needs and Strategies



The most significant information from the survey is the portion of employees that are cost burdened. **Tables B-1 and B-2** provide the number, percentage, and characteristics of the cost burdened households. A total of 25 percent pay more than 30 percent of their gross monthly income for housing compared to 29.8 percent of all households from the census. Survey data show that approximately half of the cost burden households pay more than 35 percent.

Appendix Table B-1
Percent of Cost Burden Households
Aurora Housing Needs and Strategies

Percent of Income Spent on Housing	Number	Percent
Less than 10%	7	7%
10%-20%	42	41%
20%-30%	29	28%
30%-34%	13	13%
More than 35%	12	12%
Total	**103**	**100%**

Source: Economic & Planning Systems *Survey Tabulation*

Approximately one-third of cost burdened households earn less than $30,000 annually. For example, a two-income household with the combined hourly wages of a housekeeper ($5.71) and a nutrition assistant ($8.57) would generate $30,000. The lower of these two positions represents the lowest starting wage offered by the medical center. Given that $30,000 is the top of this income bracket, most respondents would therefore earn less.

Approximately 28 percent of cost burdened households earn between $30,000 and $40,000 annually. For example, the combined wages of a cashier ($8.29) and a lab assistant ($11.03) would generate this annual income.

The survey also asked employees for the location of their current residence. For the cost burdened households, most live in Denver (36 percent) followed by Aurora (32 percent). The distribution of owners and renters of these households has a slightly larger representation of renters than the conditions for the city (36 percent compared to 32 percent).

Appendix Table B-2
Cost Burden Profile
Aurora Housing Needs and Strategies

Household Characteristics [1]	
Income	
Less than $10,000	4%
$10,000-$20,000	4%
$20,001-$30,000	28%
$30,001-$40,000	28%
$40,001-$50,000	16%
$50,001-$60,000	0%
$60,001-$80,000	0%
$80,001-$100,000	16%
$100,001-$120,000	4%
$120,001-$150,000	0%
Over $150,000	0%
Total	**100%**
Place of Residence	
Aurora	32%
Denver	36%
North of Aurora	12%
South of Aurora	8%
Western Denver	12%
Other	0%
Total	**100%**
Tenure	
Own	60%
Rent	36%
Other	4%
Total	**100%**

[1] Sample size of 25 not statistically valid
Source: Economic & Planning Systems